

29 July 2013

CENTAURUS SET TO INCREASE JAMBREIRO MINE LIFE AFTER BOOSTING MEASURED & INDICATED FRIABLE RESOURCES TO 56.9Mt

MINE RESERVE ESTIMATION AND NEW MINE SEQUENCING DUE IN OCTOBER

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that it has laid the foundations to extend the mine life of its flagship **Jambreiro Iron Ore Project** in south-east Brazil after reporting an updated JORC Mineral Resource featuring an increase in the Measured and Indicated Friable Itabirite Resource component.

The overall JORC Mineral Resource (combined Measured, Indicated and Inferred) has increased to **128.0 million tonnes grading 27.2% Fe** (see Table 1) (previously 125.2 million tonnes grading 26.7% Fe) with the key change being a 6% increase in the Measured and Indicated Friable Itabirite component to **56.9 million tonnes grading 28.7% Fe** (previously 53.7 million tonnes grading 28.4% Fe).

It is the Friable Itabirite resource that underpins the current Proven and Probable Ore Reserve of **48.5 Mt at an average grade of 28.1% Fe** announced in October 2012 with the completion of the Jambreiro Bankable Feasibility Study (BFS).

The increase in the Measured and Indicated Friable Mineral Resource provides the Company with a high level of confidence in the robustness and quality of the Jambreiro Project. In addition, this increase when considered in conjunction with the recently announced Mineral Resource at the Canavial Project (10km from Jambreiro), highlights the strong potential to extend the mine life at Jambreiro.

Based on the Ore Reserve, the 2012 Jambreiro BFS outlined that the production of 2Mtpa of high grade (+65% Fe), low impurity iron concentrate was capable of generating revenues of A\$836 million and EBITDA of A\$545 million over its initial 9-year life. The Company has commenced detailed engineering on the Project and recently received the Installation Licence (LI), a key environmental approval, which allows site work and construction to commence.

Centaurus' Managing Director, Mr Darren Gordon, said the updated Mineral Resource followed a successful in-fill drilling program completed in April this year, which targeted Inferred Resources within the limits of the existing open pit designs that could be converted to Measured and Indicated status.

"We are pleased to have tightened up the Jambreiro resource base with enhanced data ahead of the finalisation of a revised mine plan and new Ore Reserve estimate," Mr Gordon said.

"We have been successfully implementing a number of important enhancements to the Jambreiro Project while we complete negotiations for long-term product off-take, and this new Mineral Resource will provide the basis for a new mining sequence to tie in with other mine optimisation work.

"We expect to achieve a high conversion of the Measured and Indicated Friable Itabirite resource to Ore Reserves once this work is completed in October 2013, as was demonstrated at the time of the BFS late last year.

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“This upgrade to our Mineral Resource inventory is therefore of strategic importance to the Project, and should lay the foundations for an extended mine life along with the other improvements and enhancements that we are currently making,” Mr Gordon added.

The new Jambreiro JORC Mineral Resource estimate is set out in Table 1 below with additional technical details of the Resource provided in Appendix A attached.

Table 1 – Jambreiro Iron Ore Project – July 2013 JORC Resource Estimate, by Mineralisation Type

Material Type	JORC Category	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%
Friable	Measured	37.2	29.2	50.4	4.3	0.04	1.7
	Indicated	19.7	27.7	50.7	4.9	0.04	2.2
	Measured + Indicated	56.9	28.7	50.5	4.5	0.04	1.9
	Inferred	7.5	26.1	53.4	5.3	0.04	2.3
	TOTAL	64.4	28.4	50.9	4.6	0.04	2.0
Compact	Measured	8.5	26.4	52.0	3.2	0.05	1.0
	Indicated	18.5	26.2	51.2	2.8	0.05	1.1
	Measured + Indicated	27.0	26.3	51.5	2.9	0.05	1.0
	Inferred	36.6	25.8	51.7	3.7	0.06	1.2
	TOTAL	63.6	26.0	51.6	3.4	0.06	1.1
Total	Measured	45.7	28.7	50.7	4.1	0.04	1.6
	Indicated	38.2	27.0	51.0	3.9	0.05	1.7
	Measured + Indicated	83.9	27.9	50.8	4.0	0.04	1.6
	Inferred	44.1	25.9	52.0	4.0	0.05	1.4
	TOTAL	128.0	27.2	51.2	4.0	0.05	1.5

20% Fe Cut-Off

The new resource update follows a small RC drill program completed in April 2013 that included 26 drill holes for a total of 1,042 metres. The drilling targeted three areas of the Project where the Company believed that current Inferred Resources could be converted to Indicated or Measured Resources that would then fall within the open pit limits.

The three areas targeted by the drilling were Tigre, Tigre Colluvium and Coelho. These areas are shown on the drill results map in Figure 1.

The current Resource update also uses a new, more accurate, topographical surface based on an airborne Orion survey completed by Geoid.

The Coelho drill program involved seven drill holes designed to convert the Coelho Inferred Resource to Indicated category within conceptual pit limits. The Coelho drilling results were positive with six of the seven holes returning positive intersections of friable itabirite.

Prior to drilling the RC in-fill holes at Coelho, the prospect area hosted an estimated 7.2 million tonnes at an average iron grade of 24.2% Fe of Inferred Resources. The new resource estimate at the Coelho Deposit is now 7.3 million tonnes at an average grade of 26.7% Fe, including 2.9 million tonnes at an average grade of 26.5% Fe of Indicated Friable Itabirite.

These Indicated Resources of Friable Itabirite at Coelho are all within conceptual pit limits that were based on the Bankable Feasibility Study (BFS) work completed in November 2012.

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It is expected that, as part of the upcoming pit optimisation and mine sequencing work, a significant portion of these Resources will be converted into Reserves and brought into the Jambreiro mine plan.

Table 2 below shows the split of the JORC Mineral Resource estimate between friable and compact itabirite mineralisation for all deposits at Jambreiro. Figures 2 to 6 attached are typical cross-sections through the Jambreiro deposit areas.

Table 2 – Jambreiro Iron Ore Project – July 2013 JORC Resource Estimate, By Deposit

Deposit	Material Type	Million Tonnes	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%
Tigre	Friable	39.3	28.5	51.3	4.5	0.04	1.8
	Compact	46.5	25.9	51.3	3.4	0.06	0.9
	TOTAL	85.8	27.1	51.3	3.9	0.05	1.3
Cruzeiro	Friable	10.2	29.9	47.5	3.8	0.04	1.9
	Compact	10.7	26.5	51.9	2.4	0.05	1.0
	TOTAL	20.9	28.2	49.7	3.1	0.05	1.4
Galo	Friable	9.7	27.1	50.2	6.4	0.04	3.1
	Compact	4.3	25.9	51.0	6.4	0.05	3.1
	TOTAL	14.0	26.7	50.4	6.4	0.05	3.1
Coelho	Friable	5.2	26.6	55.8	3.9	0.03	1.5
	Compact	2.1	26.9	57.2	2.9	0.03	1.1
	TOTAL	7.3	26.7	56.2	3.6	0.03	1.4
Jambreiro Total	Friable	64.4	28.4	50.9	4.6	0.04	2.0
	Compact	63.6	26.0	51.6	3.4	0.06	1.1
	TOTAL	128.0	27.2	51.2	4.0	0.05	1.5

20% Fe Cut-Off

The new Mineral Resource estimate has increased the overall Measured and Indicated friable mineralisation by 3.2 million tonnes. Based on the Ore Reserve estimation work completed during the BFS in November 2012, Centaurus expects to be able to convert a very high proportion of the Measured and Indicated Friable Itabirite Resource into Ore Reserves, due for completion in October.

-ENDS-

Released By:

Nicholas Read
Read Corporate
Mb: (+61) 419 929 046
Tel: (+61-8) 9388 1474

On behalf of:

Mr Darren Gordon
Managing Director
Centaurus Metals Ltd
Tel: (+61-8) 9420 4000

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Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia 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 is the Senior Resource Geologist of BNA Consultoria e Sistemas Limited, independent resource consultants engaged by Centaurus Metals.

Roger Fitzhardinge and Volodymyr Myadzel have 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. 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 Australian Institute of Geoscientists. Beck Nader is the Managing Director of BNA Consultoria e Sistemas Ltda 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 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Beck Nader consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



Figure 1 – Jambreiro Iron Ore Project Showing Deposit Locations over Ground Magnetic Survey

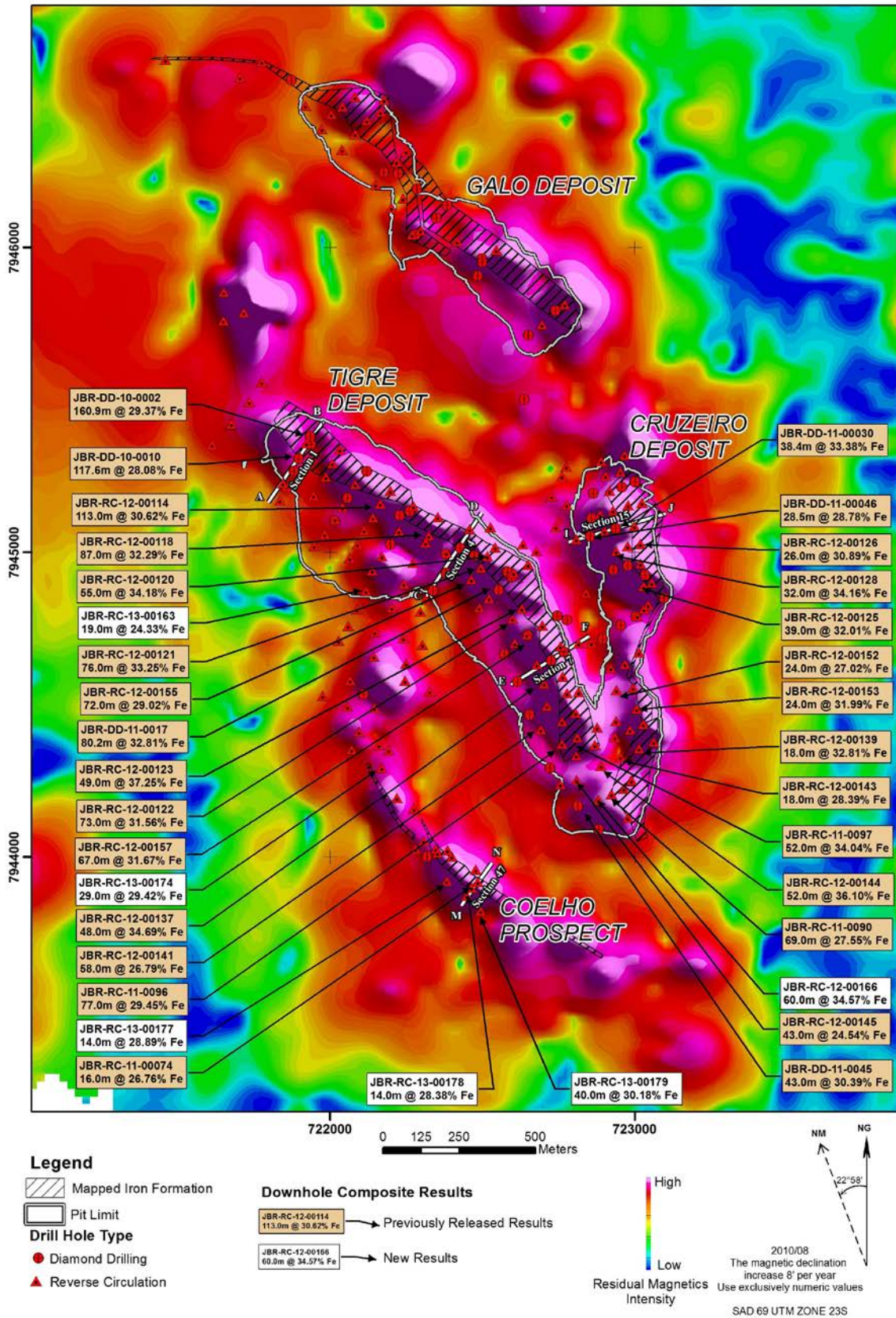




Figure 2 – Tigre Deposit Cross Section Showing Material Type – Section 1

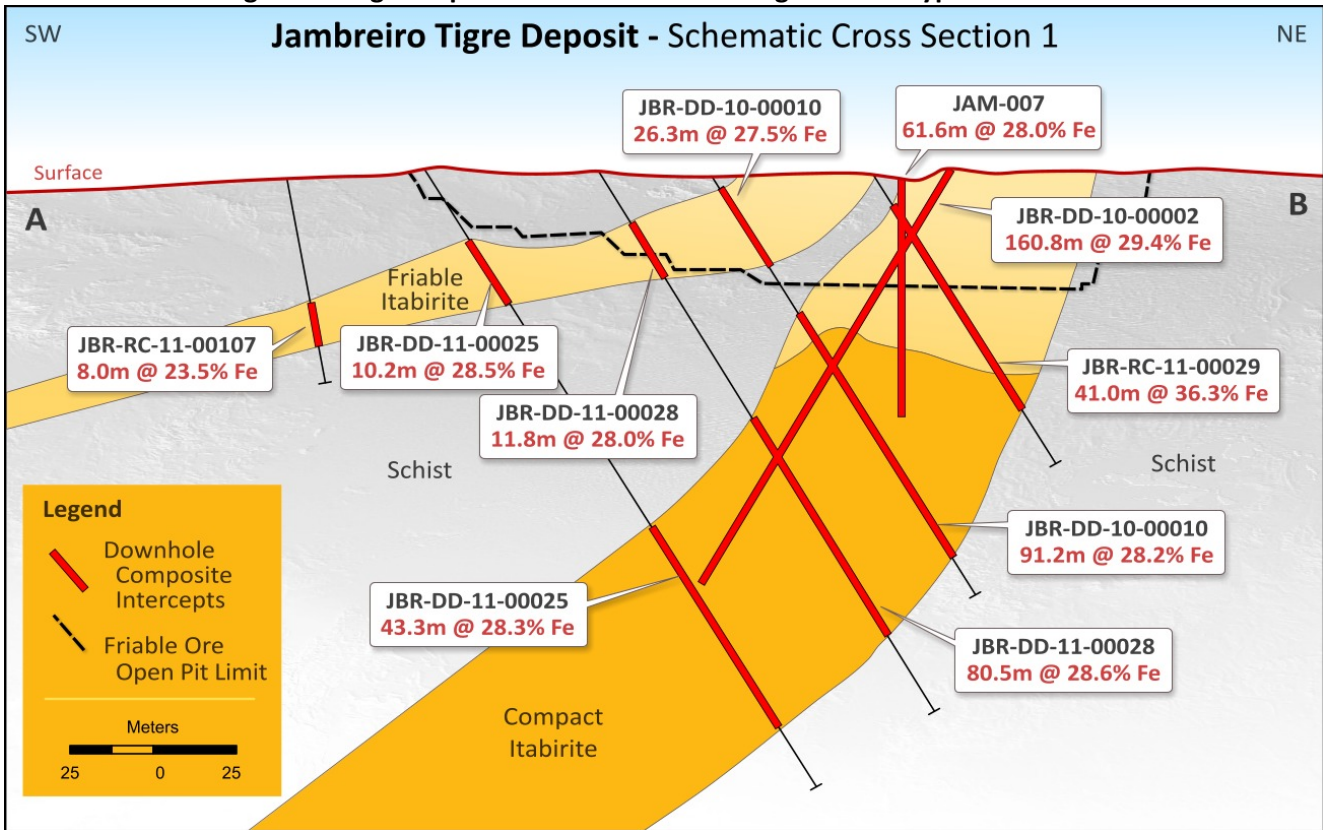


Figure 3 – Tigre Deposit Cross Section Showing Material Type – Section 4.

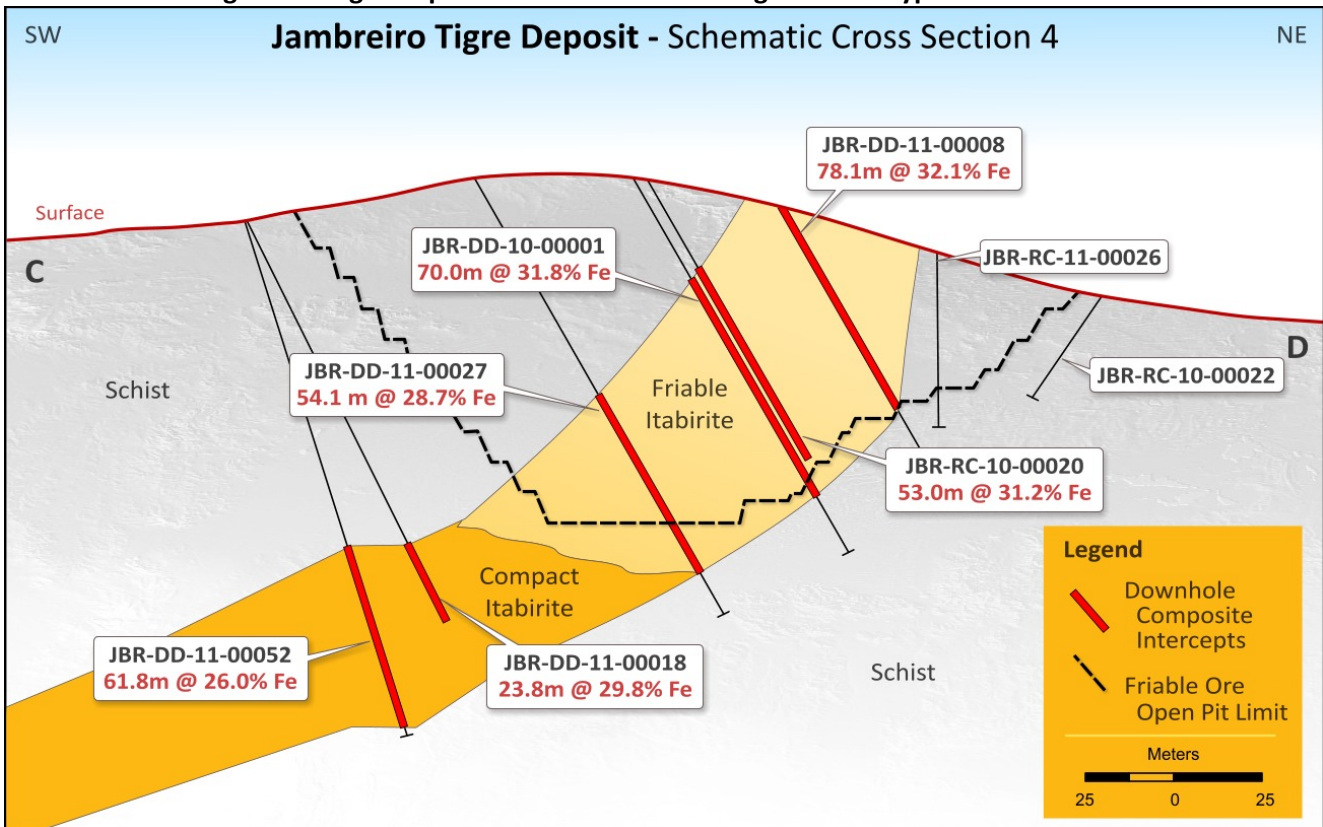




Figure 4 – Tigre Deposit Cross Section Showing Material Type – Section 7

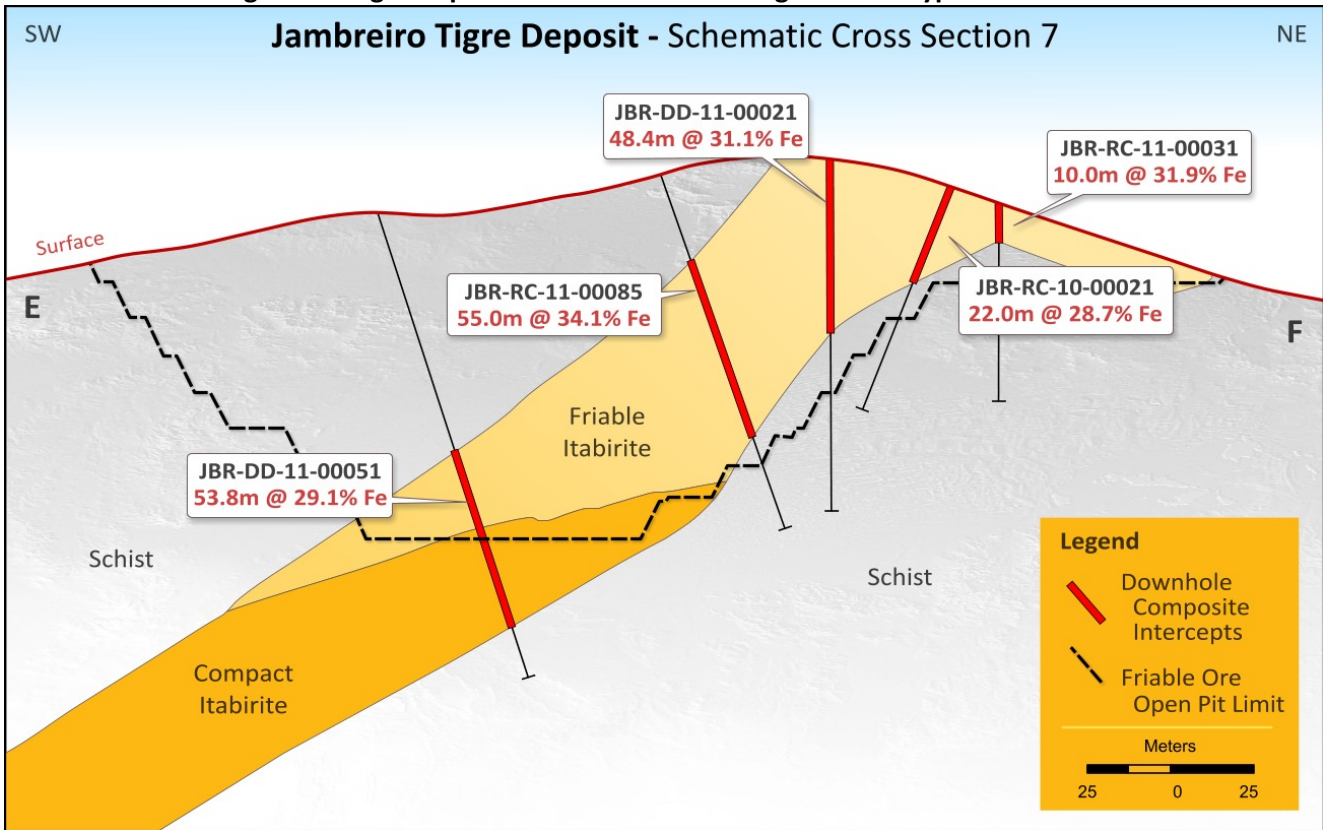


Figure 5 – Cruzeiro Deposit Cross Section Showing Material Type – Section 15.

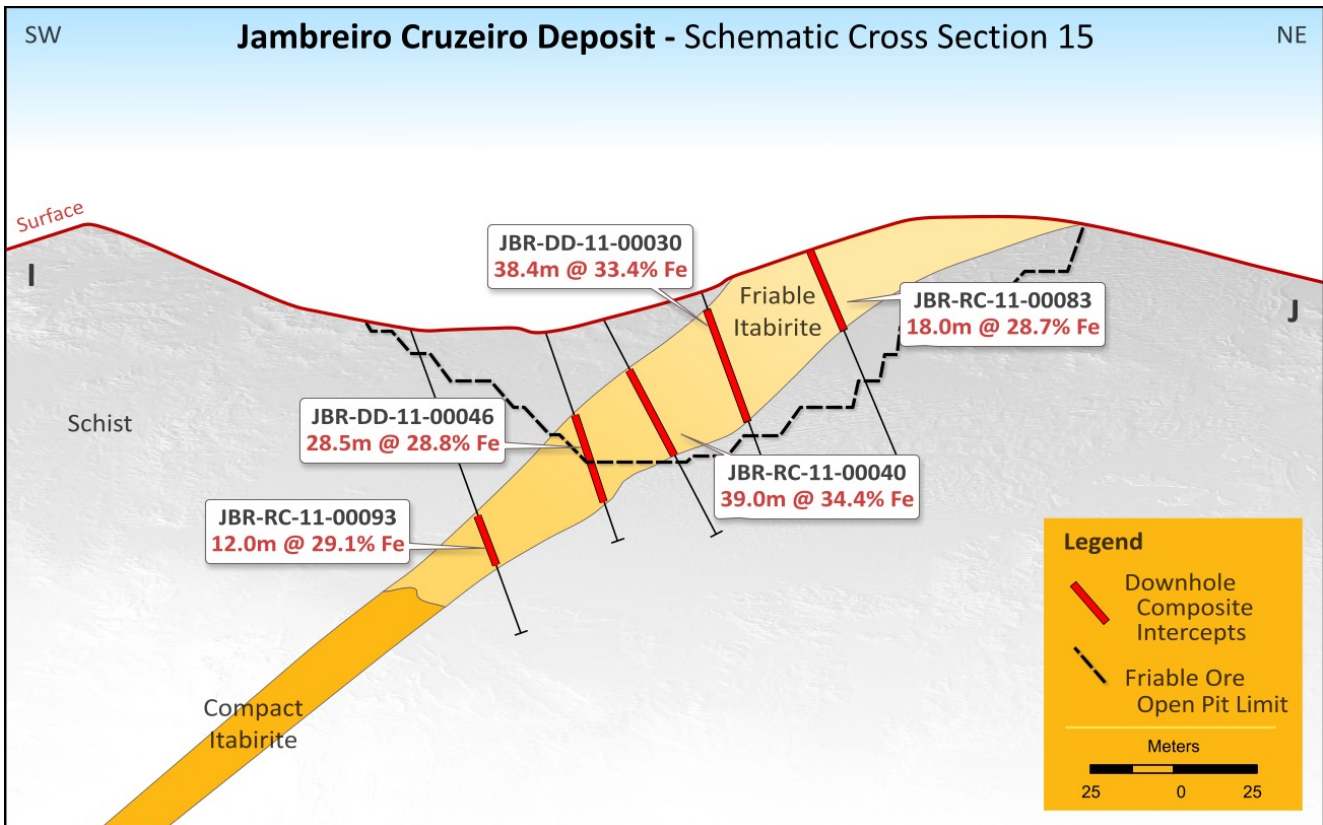
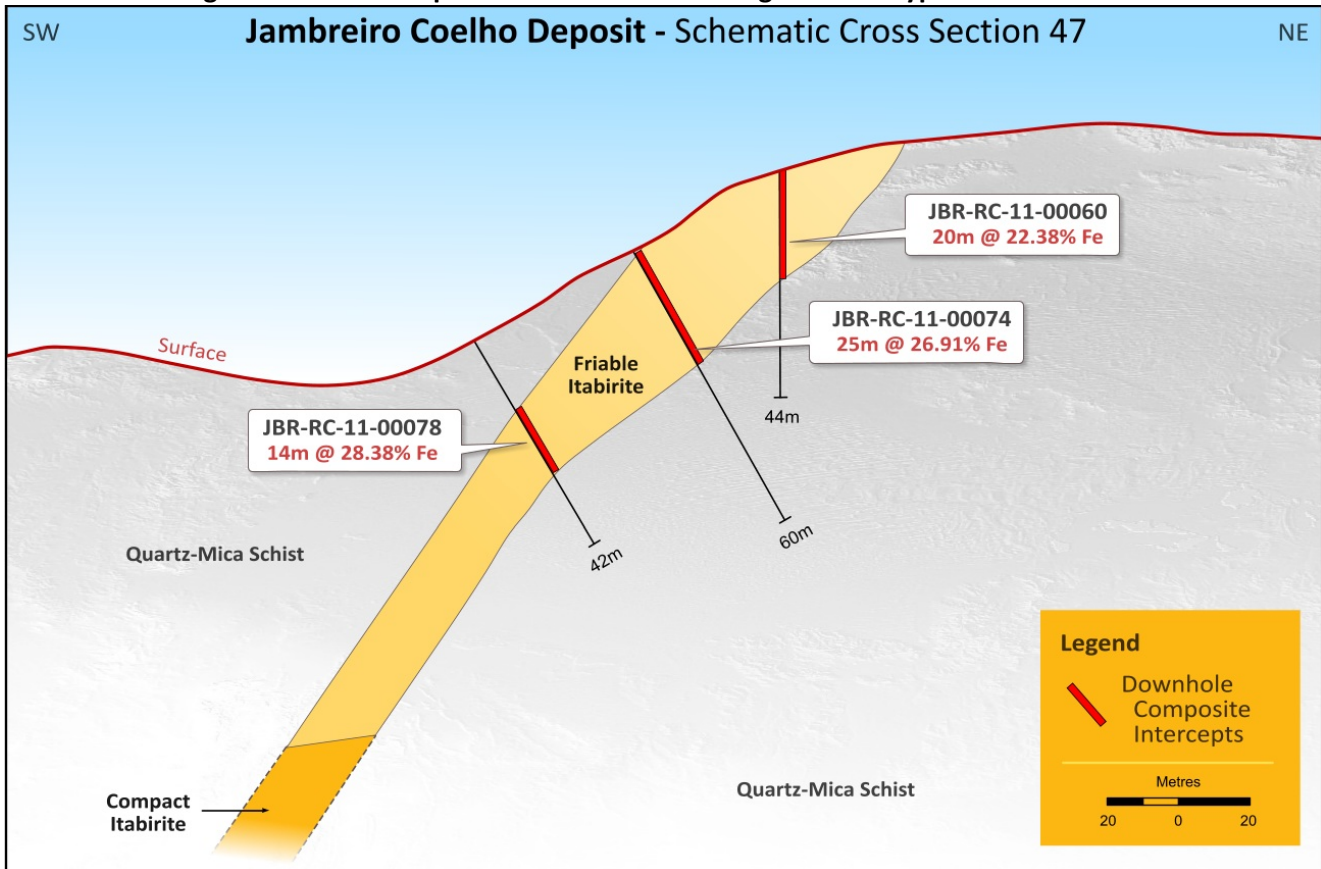




Figure 6 – Coelho Deposit Cross Section Showing Material Type – Section 47.



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Appendix A – Details of the Jambreiro Resource Estimate – July, 2013

General Information	
Project Name	Jambreiro Iron Ore Project
Deposit Names	Tigre Prospect, Galo Prospect, Cruzeiro Prospect, Coelho Prospect
Location	Located approximately 180 Km NE of BH and 23Km North of Guanhões.
Geological Description	The Jambreiro Project is located within the Guanhões Group of the Mantiqueira Complex. The region is structurally complex with duplex fault systems and complex folding ranging from micro folding in outcrop to large scale regional deformation.
	The Itabirite unit is part of an iron formation including ferruginous quartzites and quartzites hosted within a metasedimentary sequence. This sequence is emplaced in regional gneissic basement.
	The Itabirite mineralisation comprises concentrations of medium - coarse grained friable and compact material that have undergone enrichment. The mineralisation is composed of quartz, hematite, magnetite, amphibole (Grunerite), Mica (muscovite) and feldspar (albite)
	Itabirite thicknesses vary from 5m to up to 100m thick within the Tigre prospect. Itabirite has been intersected at depths up to 150m. Maps and sections in this report demonstrate the ore body structure and geometry.
Spatial Limits of Resource: Total Resource Area	721302.5mE to 723102.5mE
	7943692.5mN 7946647.5mN
	520mRL to 1018.7mRL (surface)
Resource Base	Tigre Prospect – max depth of 150m from base of drilling.
	Galo, Cruzeiro and Coelho Prospects – max depth of 150m below surface.
Responsibilities	
Data Collection	Centaurus Metals
Data Management	Centaurus Metals and BNA Micromine Consultoria
Data Validation	Centaurus Metals and BNA Micromine Consultoria
Geological Interpretation	Centaurus Metals
Resource Modelling	BNA Micromine Consultoria
Geological Interpretation	
Geological Software	Micromine 12.5
Lithological Boundaries	Boundaries defined through Geological logging and chemical analysis
Mineralisation Boundaries	Boundaries defined through Geological logging and chemical analysis
Material Type Boundaries	Material types defined through Geotechnical logging. In particular, friability tests.

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Bulk Density Measurements		
Method		
	Compact	Immersion method using full core
	Friable	Volume/ Mass method and in situ Bulk density method
Number of samples		In situ = 15
		Volume Mass = 263
		Water Displacement = 128
Bulk Density Values		
Material Type	Bulk Density (t/m³)	No. Of Samples
Itabirite Compact	3.08	128
Itabirite Friable	2.35	199
Itabirite Semi Friable	2.66	64
Quartzite	2.19	21
Amphibolite	2.65	32
Schist	1.56	25
Gneiss	2.58	9
Waste	2.24	87

Drilling		
	Holes	Metres
Historical DDH	7	365
DDH	52	5,647
RC	183	13,060
Total	216	19,072
Survey		
Grid System	SAD_69 23S	
Collar Survey	Total survey collars for all drill holes	
Surface Topography	Aerial Laser Mapping using ORION Laser with GNSS (L1/L2) remote sensing – Geoid Laser Survey;	
Sampling		
Type and Method	1m samples for RC and DDH	
DDH	Half core sampling to lithological boundaries.	
RC	One metre samples. Samples homogenised after leaving cyclone and split.	
Sample Preparation and Chemical Analysis		
Laboratory	Sample preparation carried out at Intertek's sample preparation lab in BH	
	Analysis of pulps carried out in Intertek's analysis lab in Sao Paulo	
Physical Sample Prep		
DDH	Cutting, Crushing, Drying, Pulverising, Splitting	
RC	Drying, Crushing, Pulverising, Splitting	
Analytical Method	Metal Oxide determination through X-RAY Florescence (XR21L) Oxide and elemental analyses including Fe, SiO ₂ , Al ₂ O ₃ ,P, Mn, TiO ₂ , CaO, MgO, K ₂ O, Na ₂ O and Cr ₂ O ₃ . FeO by a Volumetric Determination (VL3) and LOI using Loss Determination by Gravity	
Elements	Fe, SiO ₂ , Al ₂ O ₃ ,P, Mn, TiO ₂ , CaO, MgO, K ₂ O, Na ₂ O, Cr ₂ O ₃ and FeO	

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QAQC	288 Duplicate, 360 Standards across 164 batches. Standards inserted every 50 samples, duplicates every 20.
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Block Model Parameters			
Estimation Method	Ordinary Kriging (OK) and Inverse distance squared (ID ²)		
	Y	X	Z
Parent Block Sizes	50m	50m	10m
Sub Block Sizes	5m	5m	2.5m
Attributes:			
Rock_code	(Itb_F, Itb_C and Waste)		
OB	Model Name		
Fe%	Fe% Grade, OK, ID ₂		
FeO%	FeO% Grade, OK, ID ₂		
SiO₂%	SiO ₂ % Grade, OK, ID ₂		
Al₂O₃%	Al ₂ O ₃ % Grade, OK, ID ₂		
MgO%	MgO% Grade, OK, ID ₂		
CaO%	CaO% Grade, OK, ID ₂		
K₂O	K ₂ O Grade, OK, ID ₂		
Na₂O	Na ₂ O Grade, OK, ID ₂		
TiO₂	TiO ₂ Grade, OK, ID ₂		
Mn	Mn Grade, OK, ID ₂		
P%	P% Grade, OK, ID ₂		
Cr₂O₃	Cr ₂ O ₃ Grade, OK, ID ₂		
LOI%	LOI , OK, ID ₂		
CLASS	Resource Classification Class		
Density	Bulk Density of Itb_C, Itb_F and waste		

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Appendix B – Details of the Jambreiro Resource Estimates – July, 2013

Deposit	JORC Resource Category	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI%
Tigre - Friable	Measured	31.3	29.1	50.8	4.4	0.04	1.7
	Indicated	5.9	26.8	52.4	4.6	0.04	2.0
	Measured + Indicated	37.2	28.7	51.0	4.5	0.04	1.8
	Inferred	2.1	25.4	55.4	4.6	0.04	1.8
	TOTAL	39.3	28.5	51.3	4.5	0.04	1.8
Tigre – Compact	Measured	7.3	26.4	52.0	3.3	0.05	0.9
	Indicated	11.8	26.4	50.8	3.0	0.05	1.1
	Measured + Indicated	19.1	26.4	51.3	3.1	0.05	1.0
	Inferred	27.4	25.5	51.4	3.5	0.06	0.9
	TOTAL	46.5	25.9	51.3	3.4	0.06	0.9
Cruzeiro – Friable	Measured	5.9	30.0	48.6	3.8	0.04	1.8
	Indicated	3.4	29.9	45.7	3.5	0.04	1.8
	Measured + Indicated	9.3	30.0	47.6	3.7	0.04	1.8
	Inferred	0.9	29.5	46.3	5.5	0.03	3.0
	TOTAL	10.2	29.9	47.5	3.8	0.04	1.9
Cruzeiro – Compact	Measured	1.2	26.3	51.8	2.6	0.05	1.0
	Indicated	6.4	25.7	51.9	2.4	0.05	1.1
	Measured + Indicated	7.6	25.8	51.9	2.5	0.05	1.1
	Inferred	3.1	28.0	51.9	2.4	0.05	0.9
	TOTAL	10.7	26.5	51.9	2.4	0.05	1.0
Galo - Friable	Measured						
	Indicated	7.5	27.8	49.6	6.2	0.04	3.0
	Measured + Indicated	7.5	27.8	49.6	6.2	0.04	3.0
	Inferred	2.2	24.6	52.1	7.2	0.05	3.4
	TOTAL	9.7	27.1	50.2	6.4	0.04	3.1
Galo - Compact	Measured						
	Indicated	0.1	29.5	48.8	4.3	0.05	2.3
	Measured + Indicated	0.1	29.5	48.8	4.3	0.05	2.3
	Inferred	4.2	25.8	51.0	6.5	0.05	3.1
	TOTAL	4.3	25.9	51.0	6.4	0.05	3.1
Coelho – Friable	Measured						
	Indicated	2.9	26.5	56.0	3.9	0.03	1.5
	Measured + Indicated	2.9	26.5	56.0	3.9	0.03	1.5
	Inferred	2.3	26.8	55.5	3.9	0.03	1.5
	TOTAL	5.2	26.6	55.8	3.9	0.03	1.5
Coelho - Compact	Measured						
	Indicated	0.2	27.7	57.3	2.0	0.02	0.7
	Measured + Indicated	0.2	27.7	57.3	2.0	0.02	0.7
	Inferred	1.9	26.8	57.2	3.0	0.03	1.1
	TOTAL	2.1	26.9	57.2	2.9	0.03	1.1
Friable	Measured	37.2	29.2	50.4	4.3	0.04	1.7
	Indicated	19.7	27.7	50.7	4.9	0.04	2.2
	Measured + Indicated	56.9	28.7	50.5	4.5	0.04	1.9
	Inferred	7.5	26.1	53.4	5.3	0.04	2.3
	TOTAL	64.4	28.4	50.9	4.6	0.04	2.0
Compact	Measured	8.5	26.4	52.0	3.2	0.05	1.0
	Indicated	18.5	26.2	51.2	2.8	0.05	1.1
	Measured + Indicated	27.0	26.3	51.5	2.9	0.05	1.0
	Inferred	36.6	25.8	51.7	3.7	0.06	1.2
	TOTAL	63.6	26.0	51.6	3.4	0.06	1.1
Total	Measured	45.7	28.7	50.7	4.1	0.04	1.6
	Indicated	38.2	27.0	51.0	3.9	0.05	1.7
	Measured + Indicated	83.9	27.9	50.8	4.0	0.04	1.6
	Inferred	44.1	25.9	52.0	4.0	0.05	1.4
	TOTAL	128.0	27.2	51.2	4.0	0.05	1.5

20% Fe Cut-Off