

23 October 2012

KEY ENVIRONMENTAL LICENCE ISSUED FOR JAMBREIRO PROJECT AFTER APPROVAL OF ENVIRONMENTAL IMPACT ASSESSMENT

INSTALLATION LICENCE APPLICATION READY TO BE LODGED WITH SUPRAM; BANKABLE FEASIBILITY STUDY IMMINENT

Centaurus Metals Limited (ASX: CTM) (“Centaurus” or “the Company”) is pleased to advise that it has taken another major step towards becoming an iron ore producer after receiving the Preliminary Licence (“LP”) for its flagship **Jambreiro Iron Ore Project** in south-east Brazil, following approval for the Project’s Environmental Impact Assessment (“EIA”).

The key approval – which is effectively the penultimate regulatory milestone before on-site construction can commence – has been achieved well within the Company’s development timetable and comes just ahead of the planned completion and delivery of the Jambreiro Bankable Feasibility Study (BFS).

The grant of the LP provides Centaurus with the ability to operate at a production rate of 3Mtpa of final saleable product from Jambreiro, although the Company initially intends to commence operations at a production rate of 2Mtpa.

The EIA was lodged in March 2012 following the collection of a large amount of data in the preceding 12-month period. The LP is a key approval for the Company and the Jambreiro Project as it validates that the overall project definition is environmentally and socially sound. By historical standards the grant of the LP is the most challenging stage of the environmental approval process in Brazil.

As a result of receiving the LP, the Company is ready to commence the next stage of the environmental approval process, which begins with lodgement of the Installation Licence (“LI”) Application – in the form of a document called a Plano de Controle Ambiental (“PCA”) – with the State Environmental Agency in Minas Gerais, SUPRAM. The PCA should be lodged by the end of October 2012.

Once the LI is approved, the Company will have all of the environmental approvals required to commence the on-site construction of the Jambreiro processing plant. The Company’s development timetable remains on track and Centaurus is looking forward to securing the Installation Licence in April 2013.

Commenting on the latest developments, Centaurus’ Managing Director, Mr Darren Gordon, said: *“The approval of the Environmental Impact Assessment and issue of the Preliminary Licence are major milestones for the Company and the ongoing development of the Jambreiro Iron Ore Project.*

“Our environmental team, headed up by Mr Bruno Scarpelli, has done a fantastic job in securing the issue of the Preliminary Licence in just seven months with the extensive stakeholder engagement undertaken since commencing work on the Project clearly paying dividends.

“We are now looking forward to delivering the results of the Jambreiro Bankable Feasibility Study and moving ahead with the financing and development process in accordance with our previously announced development timetable.”

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**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**

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

Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000