

Developing a Brazilian Iron Ore Business



Darren Gordon, Managing Director

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References to targets of Iron Ore tonnage and grades are only conceptual in nature as, where these targets are mentioned there has been insufficient or unverified exploration data to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this presentation that relates to Exploration Results and Mineral Resources of Centaurus Metals' Itambé and Passabem Iron Ore Projects is based on information compiled by Mr Ian Cullen, who is a Member of AusIMM. Mr Ian Cullen is a full time employee of Centaurus Metals Resources Limited. Mr Ian Cullen 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 Reserves'. Mr Ian Cullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".

Brazilian Iron Ore Business



- Centaurus Metals' Brazilian Iron Ore focus is to:
 - Produce from a number of Low Capex Brazilian iron ore mines selling to the Brazilian domestic steel mills
 - Secure projects that will enable Centaurus Metals to become a significant iron ore exporter

- By 2013 Centaurus Metals expects to:
 - Achieve annualised production of at least 3mtpa of iron ore grading +63% Fe (for sale into the domestic steel industry in Brazil)
 - Have acquired or identified a project capable of producing 12-15mtpa of 64-69% Fe product for a minimum project life of 10 years
 - Be generating minimum free cash flows of between \$120 and \$135 million per annum



Company Structure



Capital Structure

Shares on Issue*	692.8m
Options**	110m
Share Price	\$0.08
Market Capitalisation	\$55m
Cash at bank (Post T1 Raising)	\$8 million
Debt	NIL
Enterprise Value	\$47 million

Shareholding

Directors & Management	12%
Top 40	33%

ASX CODE : CTM



** Further shares to be issued subject to shareholder approval in late Oct 2010
 * Ex prices from 3.125 cents to 28.5 cents (weighted average ex price 8.23 cents)

Centaurus Metals Board & Key Personnel



DARREN GORDON

Managing Director

Over 15 years resource industry experience with particular emphasis on resource funding and structuring. 9 years experience as CFO of Gindalbie Metals



DIDIER MURCIA

Chairman

25 years corporate and resource industry experience. Specialises in strategic, corporate and commercial advice. Extensive iron ore experience as Director of Gindalbie Metals



PETER FREUND

Operations Director

40 years engineering experience with BHP, MIM, Thiess and Gindalbie. Has extensive experience in South American operations (built Alumbra) as well as beneficiated iron ore



GEOFF CLIFFORD

Non-executive Director

Over 30 years experience in senior finance and administration roles. Extensive iron ore experience as Chairman of Atlas Iron and former roles with Aztec Resources & Portman Limited



KEITH MCKAY

Non-executive Director

Geologist with 40 years technical and corporate experience. Previously Chairman of Gindalbie Metals and MD of Gallery Gold Ltd and Battle Mountain (Aust) Inc



RICHARD HILL

Non-executive Director

16 years resource industry experience as both a solicitor and a geologist. Founding director of Centaurus Resources. Extensive network into Asian markets



GEORGE JONES

Strategic Consultant

More than 35 years experience in the mining, banking and finance industries. Previously executive Chairman of Portman Mining Ltd and currently Chairman of two iron ore businesses, Gindalbie Metals and Sundance Resources.

High calibre team with experience in the financing, development and operation of iron ore projects

Brazil



- ❑ Latin America's largest economy
- ❑ Rapidly growing population (currently ~200 million)
- ❑ Predicted growth of +7% in 2011
- ❑ US\$886b committed to infrastructure spend
- ❑ Hosting FIFA World Cup in 2014 and the Olympic Games in 2016
- ❑ Brazil is a Top 10 global steel producer
- ❑ Brazil is the world's largest Merchant Pig Iron producer
- ❑ Brazil exports > 300Mt per annum of iron ore



Centaurus Metals is one of the few ASX listed companies providing direct exposure to the rapid development of Brazil

Brazilian Iron Ore Market



- ❑ Unlike Australia, a large market for the consumption of iron ore is located alongside iron ore projects
- ❑ Major steel companies, with steel mills **within a 150km radius of Centaurus Metals' projects** have significant domestic production with major capacity upgrades planned to cope with increasing demand

Company	Brazilian Steel Production*	Expansion Commitments (USD)
Gerdau	12.69mt	\$5b to 2014
Arcelor Mittal	11.00mt	\$5b to 2014
Usiminas	8.02mt	\$14.1b to 2014
Companhia Siderúrgica Nacional ("CSN")	5.00mt	Not available

* Based on 2008 production statistics

Project Map

-  Large City
-  Town
-  Highway
-  Road
-  Airport
-  Centaurus Project (Fe)
-  Centaurus Project (Mn)
-  Cenibra Project
-  Major Iron Ore Mine
-  Smelter



Domestic Iron Ore Business

“Supplying Iron Ore to Brazil’s Steel Mills”



Domestic Iron Ore Business



- ❑ Targeting production from a number of low OpEx, low CapEx mines, in close proximity to established infrastructure
- ❑ Centaurus Metals aims to:
 - ❑ produce at a rate of 3mtpa by the end of 2013, to be sold into Brazil's domestic steel mills for anticipated operating cashflows of between \$120 and \$135 million per annum
 - ❑ become the supplier of choice to domestic steel mills (other than Vale)
 - ❑ differentiate itself from the local competition through quality and consistency of product supply
- ❑ Current domestic project portfolio includes:
 - ❑ Jambreiro Project
 - ❑ Passabem Project
 - ❑ Itambé Project
 - ❑ Guanhões Regional Project



Itabirite Ore....



A major source of iron ore production in Brazil...

- ❑ Metamorphosed iron formation composed of iron oxides with abundant quartz
- ❑ Iron Quadrangle itabirites typically comprise hematite
- ❑ Lower ROM grade than other sources of hematite (averaging 30-50% Fe)
- ❑ Extremely well suited to low cost beneficiation
- ❑ Can be upgraded to 65-68% Fe via simple and inexpensive gravity or magnetic separation process
- ❑ **Final product a high quality hematite sinter (predominantly) product with low contaminants**



Itabirite Ore



In Situ Ore

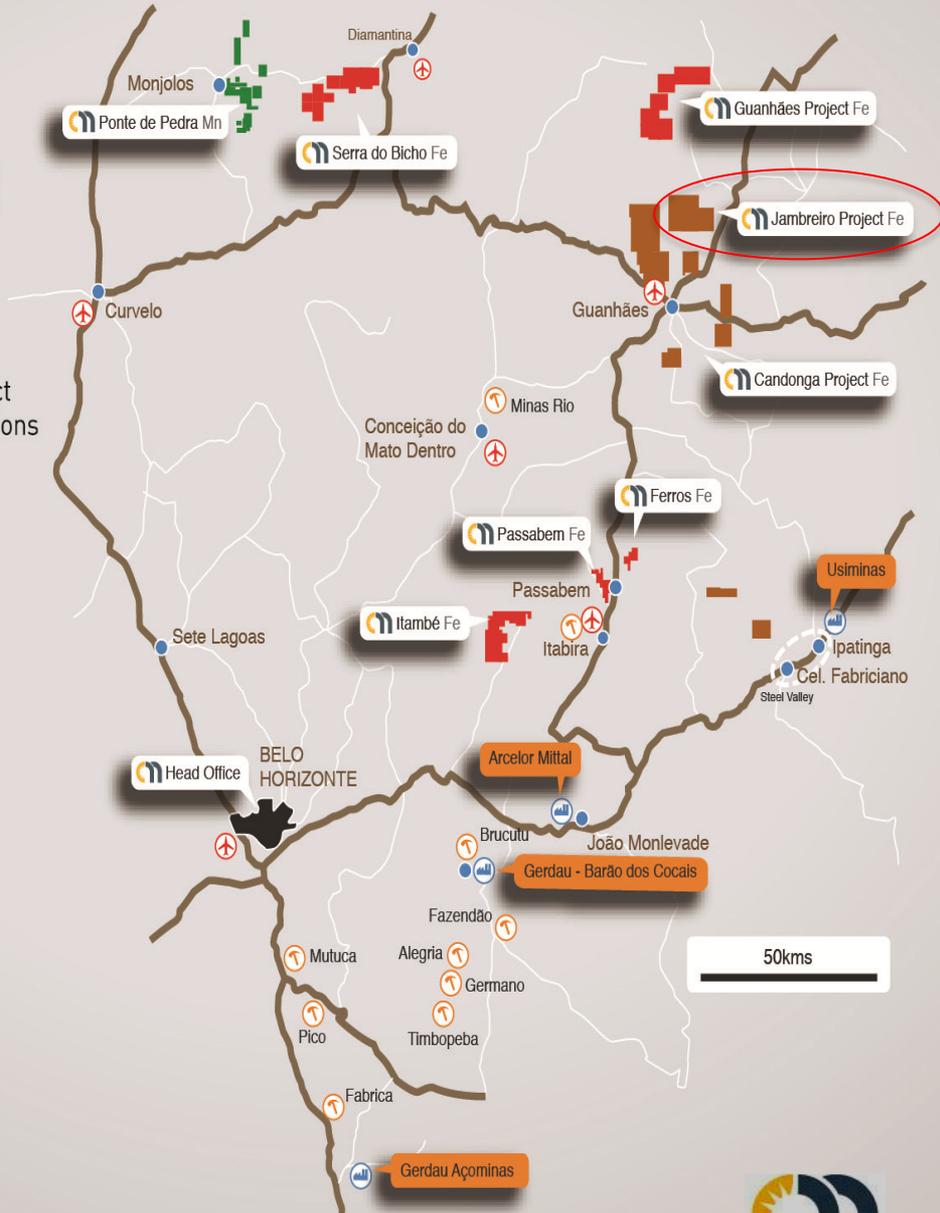
<i>Fe%</i>	<i>SiO₂%</i>	<i>P%</i>	<i>Al₂O₃%</i>	<i>Mn%</i>
37	43.52	0.03	2.21	0.02

Upgradeable to:

<i>Fe%</i>	<i>SiO₂%</i>	<i>P%</i>	<i>Al₂O₃%</i>	<i>Mn%</i>
67	2.38	0.01	0.50	0.02

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Jambreiro Iron Ore Project (100%)



- Exploration Target of 40 to 60 Mt @ 30 to 40% Fe
- 3,500 metre resource definition drill program completed
- Results show excellent depth to Jambreiro:
 - **98.2m @ 29.8% Fe, 50.0% SiO₂, 3.9% Al₂O₃ and 0.05% P** from 28m (JBR-DD-002)
 - **93.8m @ 31.5% Fe, 46.0% SiO₂, 5.5% Al₂O₃ and 0.04% P** from 9m (JBR-DD-003)
 - **70.0m @ 31.8% Fe, 48.6% SiO₂, 3.3% Al₂O₃ and 0.03% P** from 41m (JBR-DD-001)
 - **62.5m @ 32.2% Fe, 50.4% SiO₂, 2.0% Al₂O₃ and 0.03% P** from 0.5m (JBR-DD-011)
- Early stage gravity beneficiation tests show mineralisation cost effectively upgrades to a high grade product:

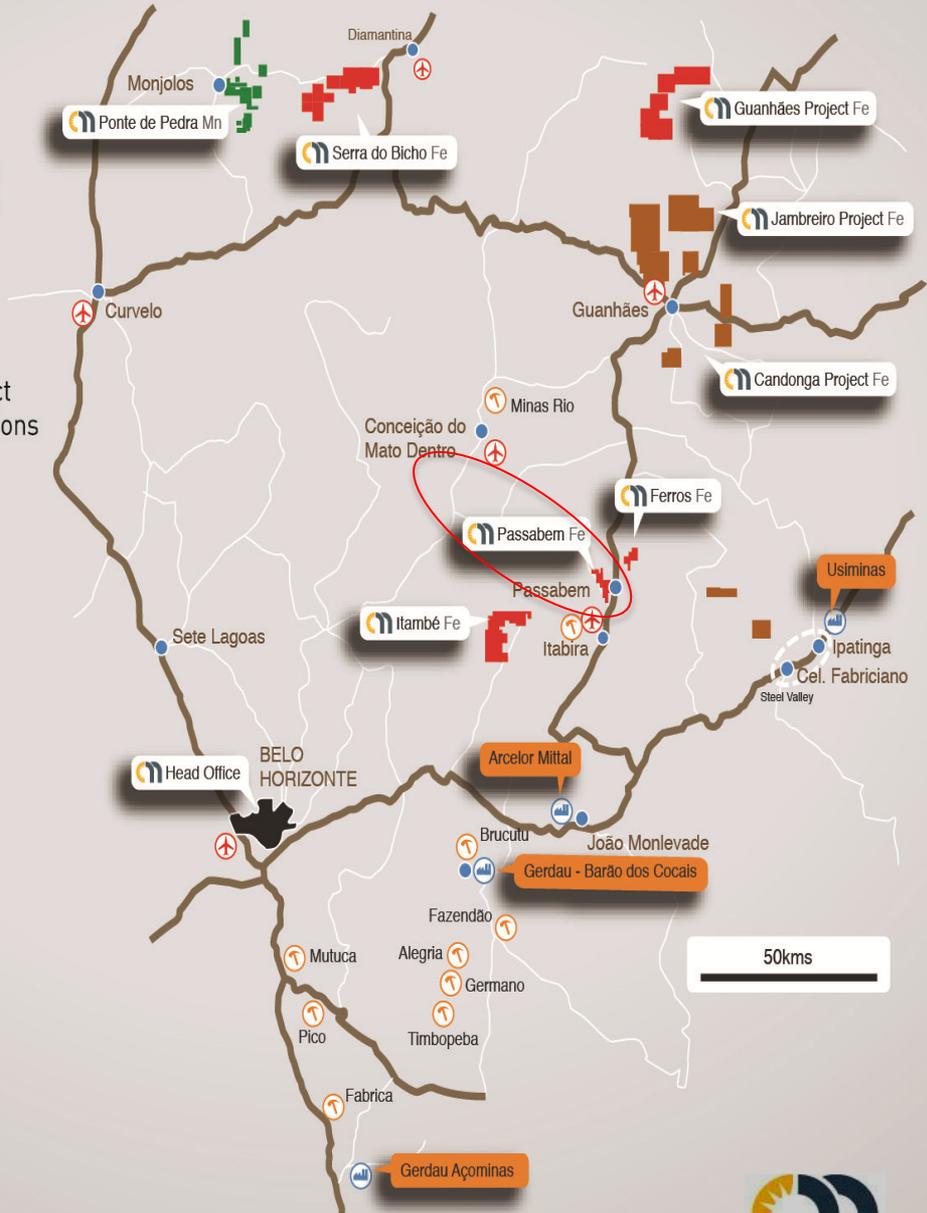
	Fe %	SiO ₂ %	Al ₂ O ₃ %	P%
Head Grade	32.6	51.1	1.67	0.02
Beneficiated Sample	63.0	8.2	0.68	0.01

- Project dynamics will facilitate rapid resource definition and potential project development.



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Passabem Iron Ore Project (100%)

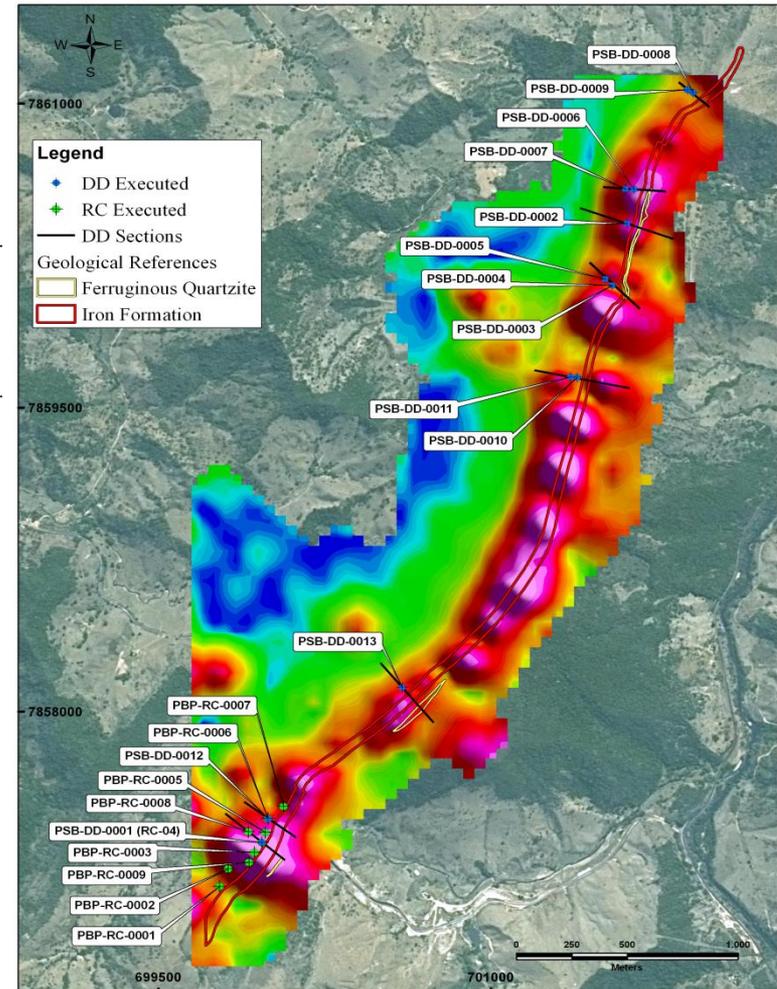


- Projected to be a 1mtpa producer of high grade iron ore.
- 39 Mt JORC Resource.

	Tonnes (Mt)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Mn%	LOI%
Indicated	2.8	33.0	48.8	1.90	0.03	0.10	0.64
Inferred	36.2	30.9	54.0	0.74	0.07	0.06	0.09
TOTAL	39.0	31.0	53.6	0.82	0.07	0.06	0.13

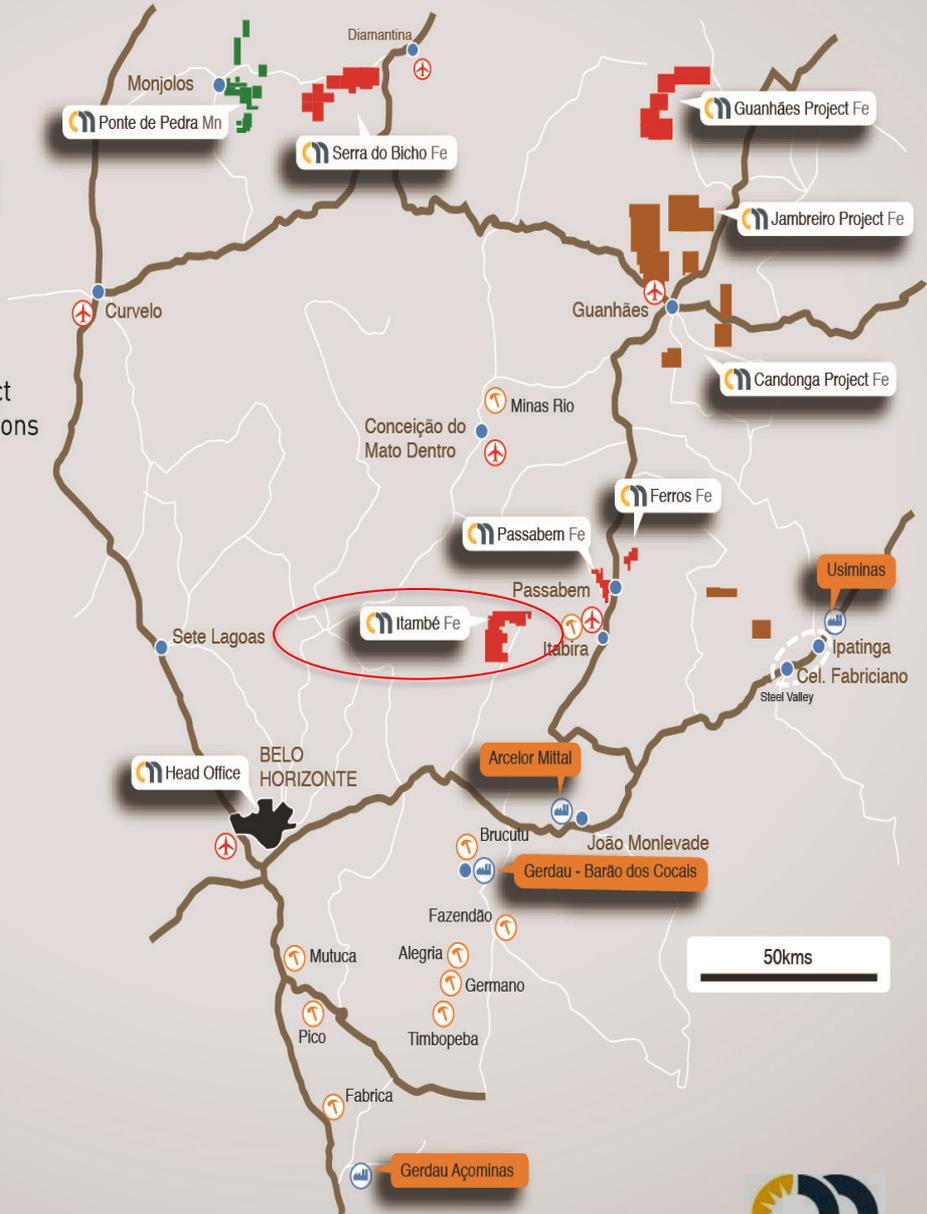
Note: Estimate calculated using Inverse Distance Squared technique with a cut off of 27% Fe applied.

- Initial test work indicates low cost beneficiation to high-grade **(+66%Fe)** product.
- Recent Drill programme has extended the ore body over a strike length of 5 kilometres.
- Future work programs :
 - Infill Drilling.
 - Further beneficiation test work.
 - Commencement of feasibility activities and associated studies.



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Itambé Iron Ore Project (100%)



- Projected to be a 1mtpa producer of high grade iron ore.

- Initial **15.5Mt** JORC Inferred Resource.

<i>Fe %</i>	<i>SiO₂%</i>	<i>P%</i>	<i>Al₂O₃ %</i>	<i>Mn%</i>
37.2	43.52	0.03	2.21	0.02

- Low cost beneficiation to high-grade product.

<i>Fe %</i>	<i>SiO₂%</i>	<i>P%</i>	<i>Al₂O₃ %</i>	<i>Mn%</i>
67.8	2.08	0.01	0.51	0.04

- Mining Lease Application process underway.
- Feasibility activities and studies ongoing.



- Studies indicate total operating cost of US\$13/t with capex expected to be US\$15m.
- At 1mtpa a minimum operating cashflow of US\$40-45 million per annum is anticipated.

Iron Ore Export Business

“Supplying Iron Ore to the World Market”



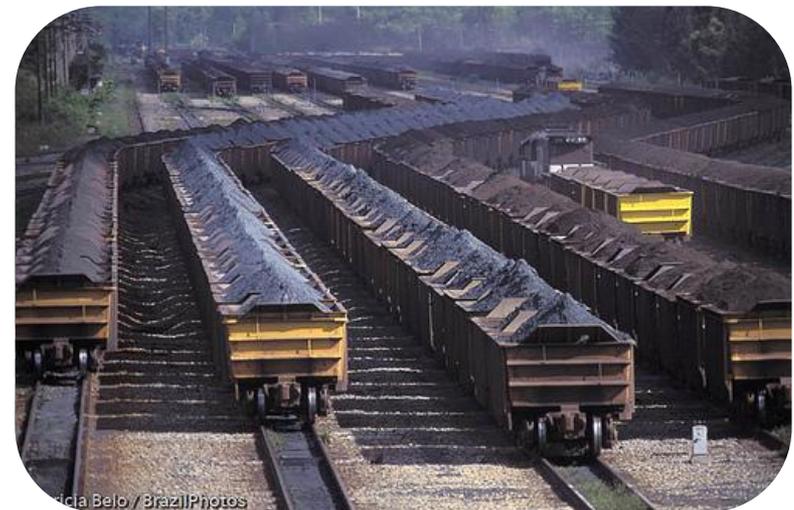
Project Map



Iron Ore Export Business



- ❑ Brazil is the largest exporter of high grade iron ore in the world
- ❑ Centaurus Metals aims to acquire or identify a project capable of producing 12-15mtpa of 64-69% Fe product for a minimum project life of 10 years, to export to world markets
- ❑ Investigating opportunities to acquire projects utilising extensive networks in Brazil
- ❑ Commencing exploration on recently granted 100% Centaurus Metals tenure in the state of Minas Gerais:
 - ❑ Rio Pardo Project
 - ❑ Itamarandiba Project
 - ❑ Guanhões Project
 - ❑ Serra do Bicho Project



Rio Pardo Project (100%)



- Highly prospective new Brazilian iron region
 - Vale, Mitsubishi, BHPB all actively exploring the region
- Centaurus has 61.9km² of EL's and ELAs in the region
- Centaurus' tenement package contains a 15 kilometre long regional magnetic anomaly.
- Ground magnetic survey completed
- Drilling to commence in Q4 2010



Summary



- Highly experienced, well funded team with extensive global experience in the financing, development and operation of iron ore projects
- Building a business to supply domestic steel mills, and in time also world markets
- At least 3mpta to be sold domestically by the end of 2013
- Continuously assessing other opportunities to grow the Brazilian iron ore business
- Centaurus Metals is one of the few ASX listed companies providing direct exposure to the rapid development of Brazil





Developing a Brazilian Iron Ore Business

Contacts:

Darren Gordon

Managing Director

☎ (+618) 9420 4001

✉ darren.gordon@centaurus.com.au

Mark Papendieck

General Manager - Commercial

☎ (+618) 9420 4003

✉ mark@centaurus.com.au