AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

7 June 2013

MORE HIGH-GRADE NEAR-SURFACE MINERALISATION INTERSECTED AT CANDONGA: MAIDEN RESOURCE IMMINENT

JORC Resource on schedule for this month for satellite project located 33km from Jambreiro

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to report fresh, high-grade results from the latest drilling at its 100%-owned **Candonga Iron Ore Project,** located 33km from its flagship Jambreiro Iron Ore Project in Minas Gerais, Brazil (*see Figure 1*). The results will be included in the maiden JORC resource estimate for Candonga which is on track to be delivered later this month.

The latest results include significant intersections of high-grade, near-surface mineralisation, demonstrating that Candonga has the potential to provide a source of high-grade coarse grained friable itabirite to the Jambreiro Project, for which detailed engineering and design is underway and preliminary site activities are scheduled to commence shortly.

Highlights of the recent RC drilling results from Candonga include the following continuous intersections of friable itabirite (see Table 1 attached for a full list of the drilling intersections):

- **32.0m @ 48.5% Fe, 1.4% Al_2O_3 and 0.08% P** from surface in Hole CDG-RC-13-00024
- **27.0m @ 38.6% Fe, 1.3% Al_2O_3 and 0.05% P** from surface in Hole CDG-RC-13-00020
- **23.0m @ 39.4% Fe, 4.9% Al_2O_3 and 0.09% P** from surface in Hole CDG-RC-13-00018
- **18.0m @ 46.9% Fe, 0.8% Al_2O_3 and 0.05% P** from 7.0 metres in Hole CDG-RC-13-00017, including **5.0m @ 59.1% Fe, 0.6% Al_2O_3 and 0.07% P from 17.0m**
- **13.0m @ 47.8% Fe, 4.1% Al_2O_3 and 0.04% P** from surface in Hole CDG-RC-13-00013
- **12.0m @ 45.3% Fe, 1.3% Al_2O_3 and 0.07% P** from 44.0 metres in Hole CDG-RC-13-00015

These intersections are consistent with the drill results announced to the market on 7 May 2013 and the results from a drill program completed in 2010, which included the following intersections:

- **85.6m @ 40.0% Fe, 1.1% Al_2O_3 and 0.07% P** from 3.0 metres in diamond drill hole CDG-DD-001
- **53.0m @ 45.6% Fe, 1.5% Al_2O_3 and 0.12% P** from surface in RC drill hole CDG-RC-003
- **47.0m @ 36.9% Fe, 2.2% Al_2O_3 and 0.12% P** from surface in diamond drill hole BAR-003
- **58.0m @ 45.6% Fe, 2.6% Al_2O_3 and 0.11% P** from surface in RC drill hole CDG-RC-13-00003
- **37.0m @ 56.5% Fe, 2.0% Al_2O_3 and 0.06% P** from surface in RC drill hole CDG-RC-13-00008, including **20.0m @ 63.4% Fe, 0.6% Al_2O_3 and 0.06% P from 13.0m**
- **12.0m @ 60.6% Fe, 4.2% Al_2O_3 and 0.02% P** from surface in RC drill hole CDG-RC-002

The Company has now planned a small program of diamond drilling to provide the samples necessary to undertake detailed beneficiation testwork. It is expected that the Candonga mineralisation will be able to be upgraded to a high grade, low impurity product using a similar process flowsheet to the one that will be utilised at Jambreiro.

Candonga is predominantly located on farm land (*see Figure 2*) which should lend itself to relatively simple environmental licensing for drilling and future project development, as was the case with Jambreiro.

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Centaurus' Managing Director, Mr Darren Gordon, said the latest drilling results provided more evidence that Candonga was shaping up as another significant satellite project for Centaurus alongside the Canavial Project.

"The maiden resource for Candonga due by the end of this month will include these new results and should give us a good indication of the scale and potential of the deposit," Mr Gordon said. "Both Candonga and Canavial represent very attractive regional growth opportunities for us once Jambreiro is up and running, with the potential to increase our production profile or extend the life of our operations."

About the Candonga Project

The friable itabirite mineralisation at the Candonga Project is identified in two distinct zones, the Western and the Eastern Zones, separated by a north-south striking fault (see *Figure 3*). The recent results are from the Eastern Zone. The two zones have a combined strike length of 1.6 km of mineralisation.

The mineralisation intersected in the Eastern Zone (which is where the results in this release are from) extends over a continuous strike length of approximately 800m and dips 20-30^{o} to the S-SW with widths of 10-30m. Section 9 in Figure 4 demonstrates the continuity down-dip of this Eastern Zone.

The Western Zone is an E-W zone with a strike extent of around 700m where the mineralisation dips 20-30^{o} to the S-SW (*see Figures 5 and 6*). The zones of friable itabirite mineralisation have true widths of between 25-50m with the wider zones generally nearer to the surface. Sections 3 and 5 in Figures 5 and 6 demonstrate the continuity down-dip of the Western Zone.

The mineral assemblage of the Candonga friable itabirite mineralisation is slightly different to that of the Jambreiro Project. Magnetite and hematite (probably martite) are the dominant iron oxides with some goethite, limonite and quartz. The iron oxides are coarse to medium grained especially in the enriched zone near to surface.

Structural controls have generated zones of high grade iron mineralisation which have then been further enriched through supergene processes near to surface. It is this higher grade shallow mineralisation that the recent drilling has been successfully targeting.

-ENDS-

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Roger Fitzhardinge 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'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on the information in the form and context in which it appears

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Figure 1 – Candonga Project Location Map

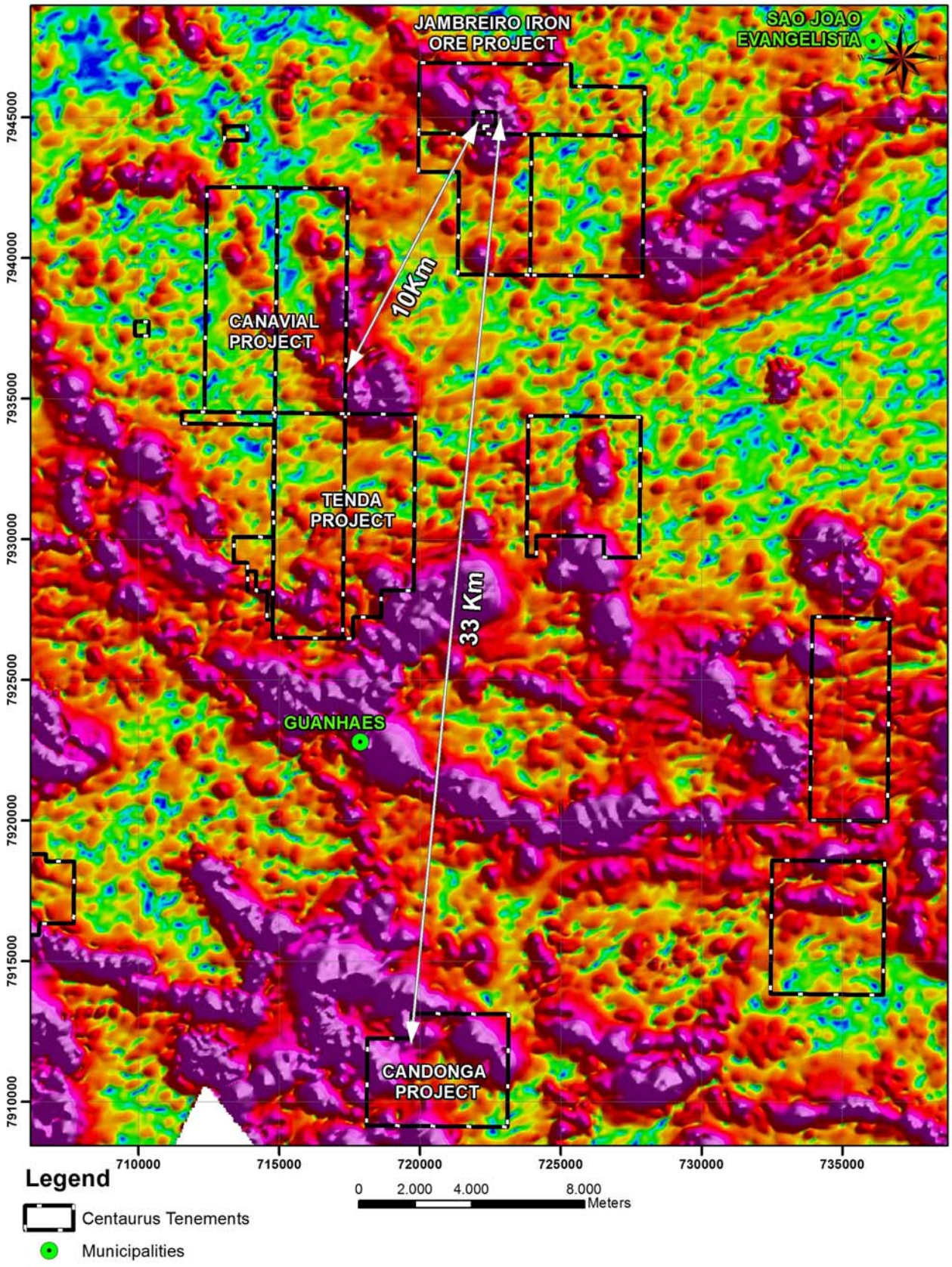

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Figure 2 – Satellite Image of Candonga Project Area showing location on Farmland

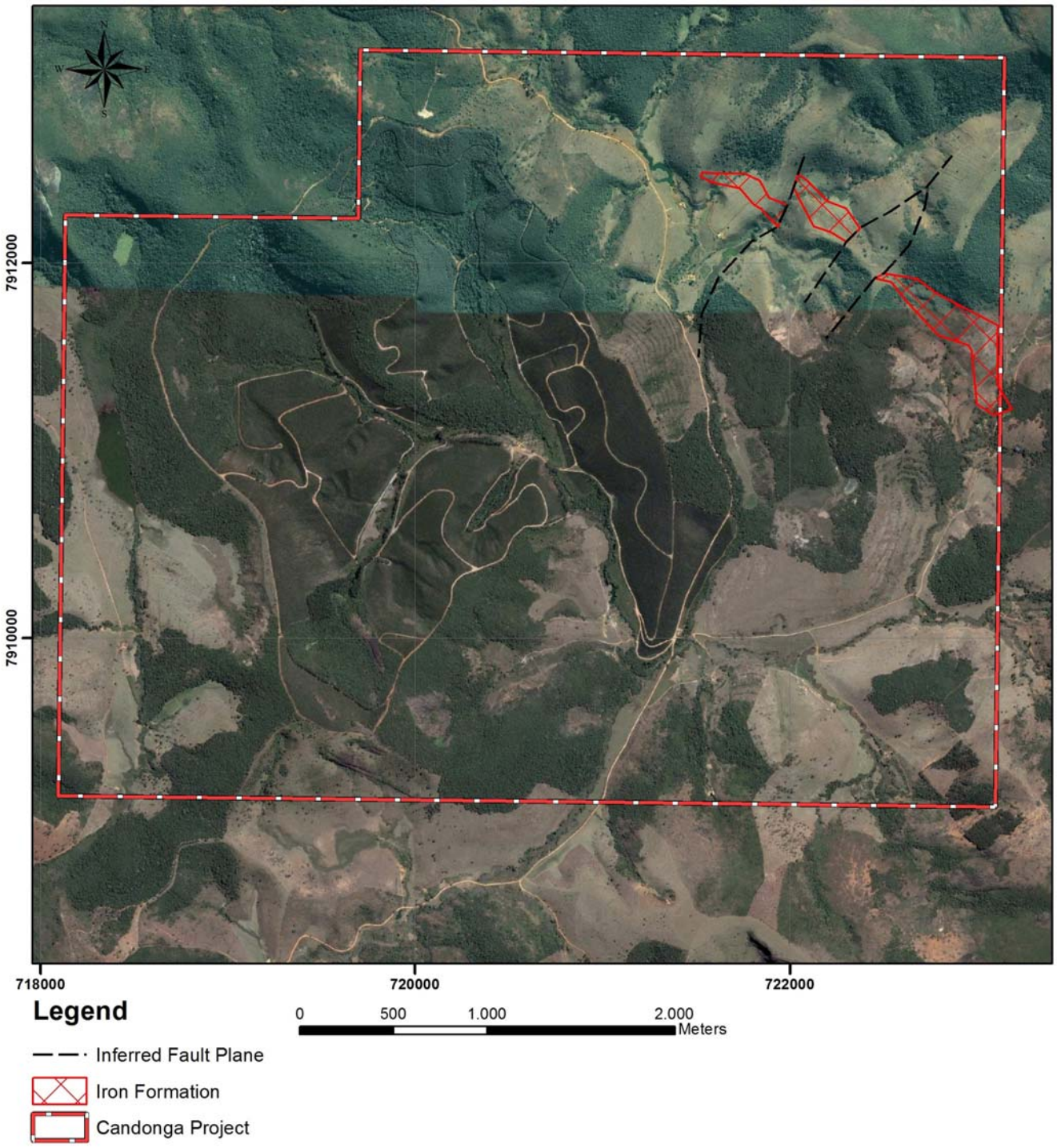

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Figure 3 – Candonga Iron Ore Project Map – Analytical Signal Mag Image and Drill Results – June 2013

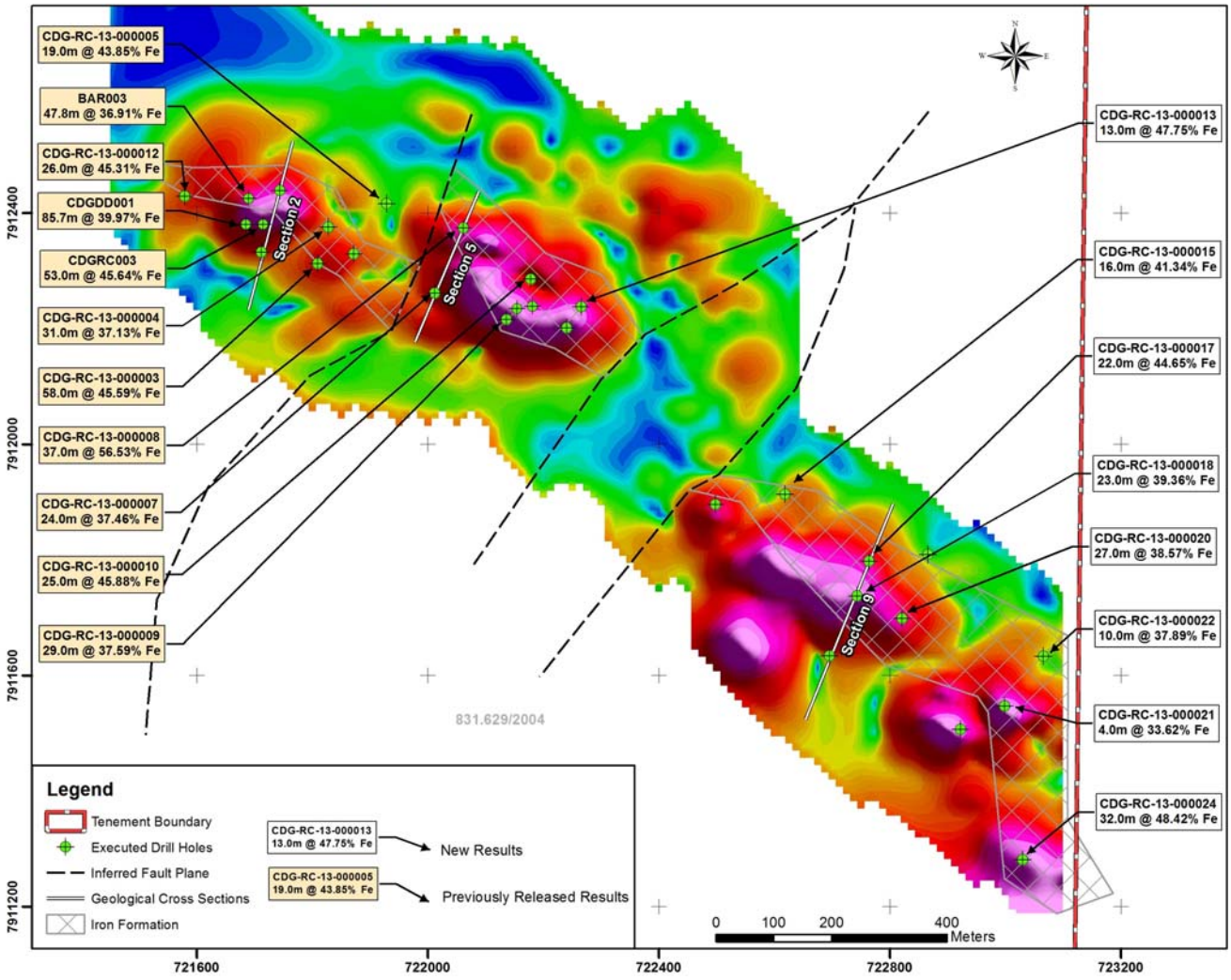

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Figure 4 – Candonga Iron Ore Project – Schematic Cross Section 9

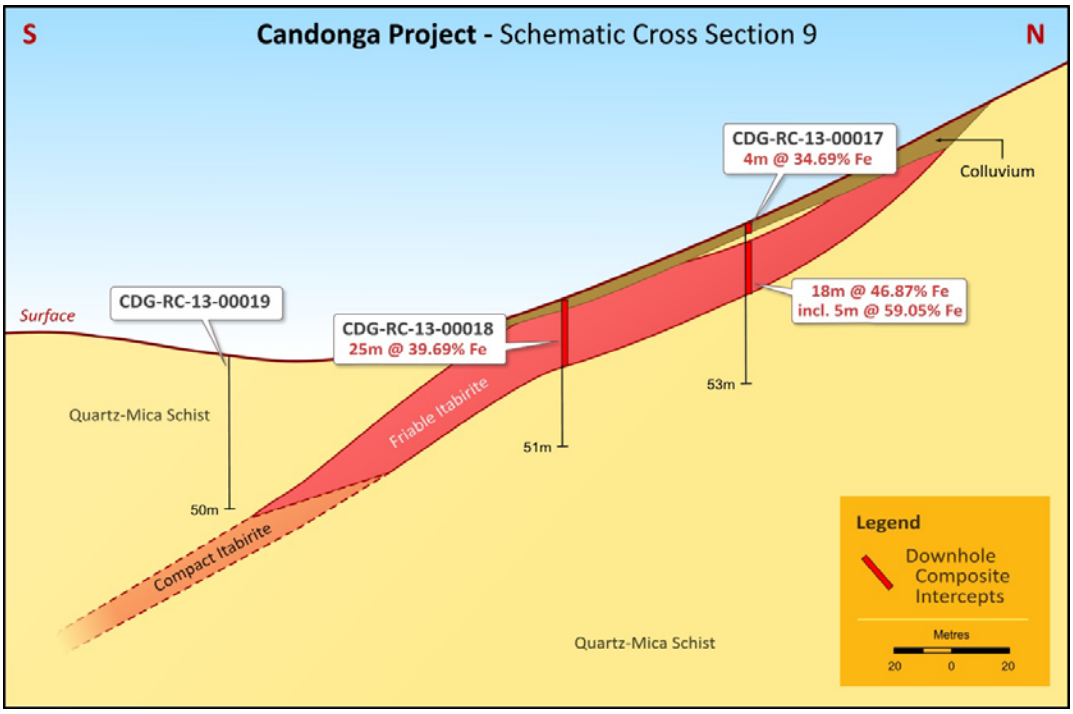

Figure 5 – Candonga Iron Ore Project – Schematic Cross Section 3

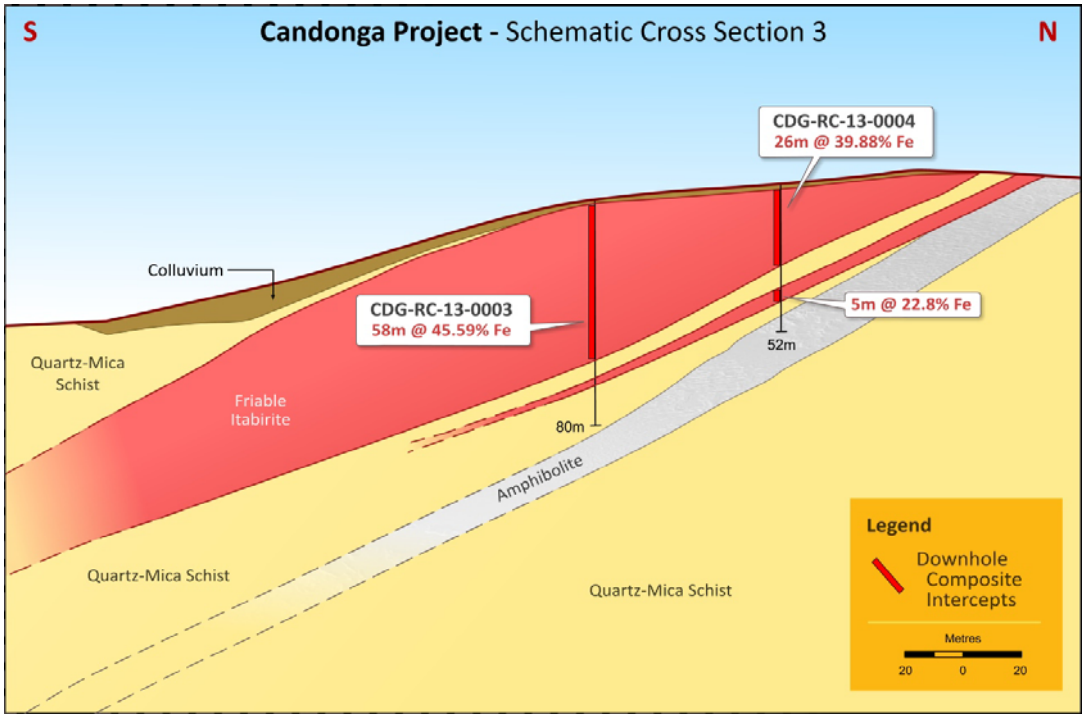

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Figure 6 – Candonga Iron Ore Project – Schematic Cross Section 5

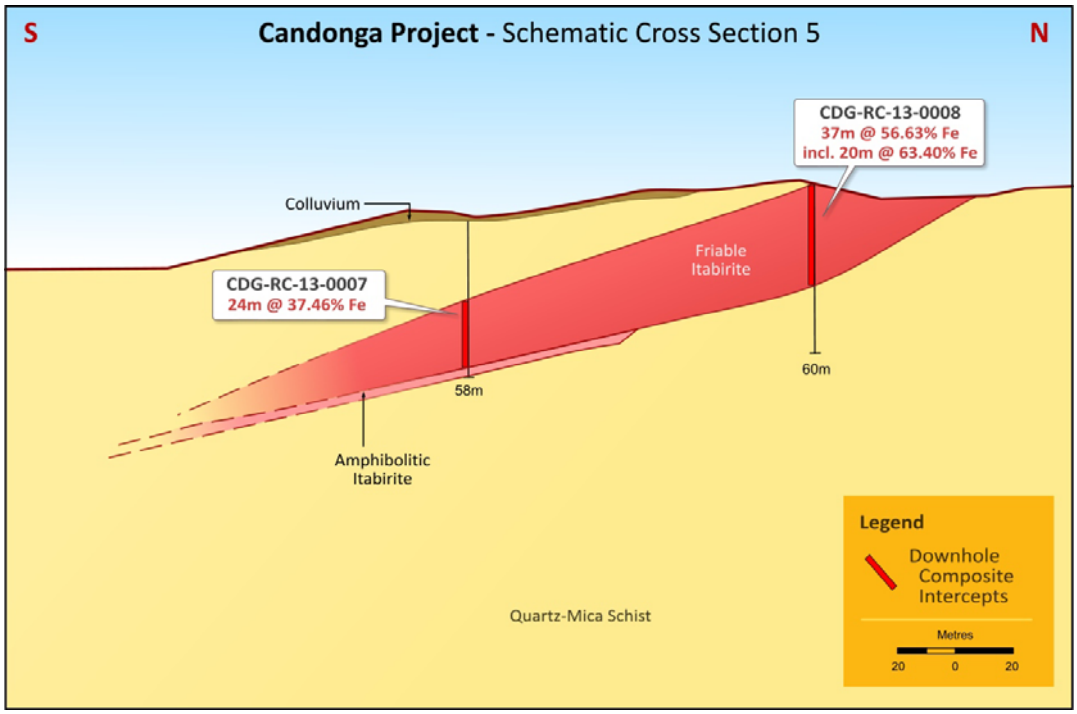

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Table 1 – Candonga Iron Ore Project - RC Drill Hole Results –June 2013

Hole ID	SAD East	SAD North	mRL	Dip	Azi	Final Depth(m)	From (m)	To (m)	Downhole width (m)	Rock Type	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
CDG-RC-13-000013							0.00	4.00	4.00	Colluvium	48.86	18.23	7.63	0.04	0.27
CDG-RC-13-000013							4.00	13.00	9.00	Friable Itabirite	47.26	28.47	2.51	0.04	0.21
CDG-RC-13-000013	**722266**	**7912237**	**905**	**-90**	**0**	**57.00**	**Downhole composite**		**13.00**		**47.75**	**25.32**	**4.09**	**0.04**	**0.23**
CDG-RC-13-000014															
CDG-RC-13-000014	**722498**	**7911895**	**943**	**-90**	**0**	**76.00**	**NO SIGNIFICANT INTERSECTION**								
CDG-RC-13-000015							44.00	56.00	12.00	Friable Itabirite	45.28	31.93	1.27	0.07	0.21
CDG-RC-13-000015							56.00	60.00	4.00	Amphibolitic itabirite	29.52	42.00	0.98	0.07	0.09
CDG-RC-13-000015	**722619**	**7911913**	**962**	**-90**	**0**	**67.00**	**Downhole composite**		**16.00**		**41.34**	**34.44**	**1.20**	**0.07**	**0.18**
CDG-RC-13-000016															
CDG-RC-13-000016	**722866**	**7911808**	**989**	**-90**	**0**	**54.00**	**NO SIGNIFICANT INTERSECTION**								
CDG-RC-13-000017							0.00	4.00	4.00	Colluvium	34.69	38.13	7.55	0.05	0.48
CDG-RC-13-000017							7.00	25.00	18.00	Friable Itabirite	46.87	28.89	0.81	0.05	0.25
CDG-RC-13-000017	**722764**	**7911797**	**962**	**-90**	**0**	**53.00**	**Downhole composite**		**22.00**		**44.65**	**30.57**	**2.04**	**0.05**	**0.29**
CDG-RC-13-000018							0.00	23.00	23.00	Friable Itabirite	39.36	31.87	4.96	0.09	2.55
CDG-RC-13-000018	**722744**	**7911737**	**936**	**-90**	**0**	**51.00**	**Downhole composite**		**23.00**		**39.36**	**31.87**	**4.96**	**0.09**	**2.55**
CDG-RC-13-000019															
CDG-RC-13-000019	**722696**	**7911633**	**914**	**-90**	**0**	**50.00**	**NO SIGNIFICANT INTERSECTION**								
CDG-RC-13-000020							0.00	27.00	27.00	Friable Itabirite	38.57	38.09	1.31	0.05	1.09
CDG-RC-13-000020	**722821**	**7911698**	**929**	**-90**	**0**	**40.00**	**Downhole composite**		**27.00**		**38.57**	**38.09**	**1.31**	**0.05**	**1.09**
CDG-RC-13-000021							0.00	4.00	4.00	Colluvium	33.62	35.90	10.55	0.03	0.58
CDG-RC-13-000021	**722999**	**7911546**	**930**	**-90**	**0**	**50.00**	**Downhole composite**		**4.00**		**33.62**	**35.90**	**10.55**	**0.03**	**0.58**
CDG-RC-13-000022							6.00	16.00	10.00	Friable Itabirite	37.89	31.79	7.98	0.06	1.36
CDG-RC-13-000022	**723066**	**7911632**	**914**	**-90**	**0**	**55.00**	**Downhole composite**		**10.00**		**37.89**	**31.79**	**7.98**	**0.06**	**1.36**
CDG-RC-13-000023															
CDG-RC-13-000023	**722923**	**7911506**	**911**	**-90**	**0**	**52.00**	**NO SIGNIFICANT INTERSECTION**								
CDG-RC-13-000024							0.00	32.00	32.00	Friable Itabirite	48.42	25.48	1.44	0.08	2.21
CDG-RC-13-000024	**723030**	**7911280**	**886**	**-90**	**0**	**52.00**	**Downhole composite**		**32.00**		**48.42**	**25.48**	**1.44**	**0.08**	**2.21**

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