AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

8 August 2013

FURTHER INCREASE IN GUANHÃES REGION RESOURCES TO +167Mt WITH MAIDEN 11.9Mt RESOURCE FOR CANDONGA PROJECT

Key Points

- **Maiden resource of 11.9Mt @ 43.0% Fe for Candonga Project, 33km from Jambreiro.**
- **Boosts company-wide resources 22% to 216Mt, including recent Canavial resource.**
- **Includes 880,000t of potential high-grade direct ship mineralisation grading 58.6% Fe.**
- **Friable component of the Company's resource inventory in the Guanhães Region now stands at 89.2Mt grading 30.8% Fe: strong foundation for future growth.**

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to announce that it has further strengthened its resource inventory and future growth pipeline in south-eastern Brazil after reporting a maiden JORC Mineral Resource estimate of **11.9 million tonnes (Mt) grading 43.0% Fe** for its 100%-owned **Candonga Project**, an emerging satellite deposit to its flagship **Jambreiro Iron Ore Project**.

Importantly, the new resource comprises 9.1Mt of friable itabirite mineralisation grading 43.8% Fe – similar to the material which underpins the Jambreiro Project, located 33km to the north (*see Figure 1*) – including **0.88Mt of high-grade itabirite mineralisation grading 58.6% Fe**.

This could be a potential source of coarse grained high-grade direct ship material that would blend well with the Jambreiro sinter concentrate.

The maiden resource, which follows successful RC drilling programs at Candonga over the past six months, further strengthens the future growth and expansion potential of Jambreiro, boosting Centaurus' resource inventory in the Guanhães Region to over 167Mt and **lifting company-wide resources in south-eastern Brazil to over 216Mt**.

The new Candonga Resource follows the recently updated JORC Mineral Resource update for the Jambreiro Project of 128.0Mt grading 27.2% Fe and the maiden JORC Mineral Resource estimate of 27.6Mt grading 30.5% Fe for the Canavial Project, located 10km south-west of Jambreiro, announced on 31 May 2013 (see *Figure 1*).

With the addition of this friable itabirite Resource at Candonga to that of the nearby Jambreiro and Canavial Projects, the friable component of the Company's Guanhães Regional footprint now stands at **89.2Mt grading 30.8% Fe** (including the high-grade itabirite resource), with 75% of this resource base falling into the Measured and Indicated categories.

Centaurus' Managing Director, Mr Darren Gordon, said the new resource estimates for Candonga and Canavial had resulted in a 22 per cent increase in the Company's resource inventory in south-eastern Brazil to over 216 million tonnes, with the friable component of its regional resource now standing at over 89 million tonnes.

"This represents a tremendous return on the funds invested in exploration drilling at these two prospects over the past six months and demonstrates the significant exploration upside of the region," Mr Gordon said.

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"With Jambreiro moving rapidly towards development, we have now clearly demonstrated that we can add significantly to either the mine life or potentially the future production profile of Jambreiro from these satellite production areas.

"While there is a lot more work to do including metallurgical testwork and feasibility studies, we are confident based on what we already know that Candonga and Canavial will become part of our future growth plans at Jambreiro, further strengthening our footprint in the Guanhães region," Mr Gordon said.

The maiden Candonga JORC Mineral Resource estimate is set out in Table 1 below, with a more detailed table provided in Appendix A. Additional technical details of the Resource are provided in Appendix B.

Table 1 – Candonga Project JORC Mineral Resource Estimate by Resource Category, August 2013

Project	JORC Category	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
Candonga	Indicated	3.7	45.5	26.2	3.8	0.08	2.7
	Inferred	8.2	41.8	30.2	4.4	0.08	3.1
	TOTAL	**11.9**	**43.0**	**29.0**	**4.2**	**0.08**	**3.0**

20% Fe Cut-off

Mineral characterization and process testwork is currently underway focusing on the friable itabirite mineralisation at Candonga and using the same process route as the Jambreiro Project. Based on visual inspection and the nature of the mineralisation at Candonga, the Company expects to achieve similar or better beneficiation results to those achieved at Jambreiro. Accordingly, Centaurus is confident that it will be able to produce a high-grade, low impurity product at mass recoveries greater than 40%.

The Candonga Project is predominantly located on farm land which should lend itself to relatively simple environmental licensing for drilling and future project development, as was the case with Jambreiro.

Candonga's Link to the Jambreiro Project

The delivery of the Candonga Resource increases the Company's overall JORC compliant resource inventory in south-eastern Brazil to **216.5Mt grading 29.6% Fe**, including **167.5Mt grading 28.9% Fe** in the Guanhães Region, within **33km of the proposed Jambreiro plant site** (see Table 2 below):

Table 2 – Total Mineral Resource Inventory for Centaurus in South East Brazil

Project	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P	LOI
Jambreiro*	128.0	27.2	48.1	4.0	0.05	1.5
Candonga*	11.9	43.0	29.0	4.2	0.08	3.0
Canavial*	27.6	30.5	37.0	6.0	0.07	6.4
Guanhães Region	**167.5**	**28.9**	**44.8**	**4.4**	**0.05**	**2.4**
Passabém**	39.0	31.0	53.6	0.8	0.07	0.1
Itambé***	10.0	36.6	39.1	4.0	0.05	2.4
TOTAL	**216.5**	**29.6**	**46.2**	**3.7**	**0.06**	**2.0**

** 20% Fe cut-off grade applied; ** 27% Fe cut-off grade applied; *** 25%Fe cut-off grade applied*

Given its location just 33km from the Jambreiro Project, Candonga has the potential to provide an additional source of friable itabirite to the Jambreiro Operation.

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Geological Interpretation at Candonga

Recently completed detailed structural field mapping combined with re-logging of drill core and assessment of final drill results has instigated a revision of the geological interpretation of the Candonga deposit. Previously, the Company interpreted the itabirite mineralisation to be dipping 20-30^{o} to the S-SW at widths of between 20-40m.

The new field work and subsequent structural interpretation has delivered a different geological interpretation which identifies itabirite bodies generally dipping at around 45^{o} to the N-NE. In the Western Zone the bodies are understood to be limbs of an anticline that has been overturned to the SW.

The friable itabirite mineralisation at the Candonga Project occurs in two distinct zones, the Western and the Eastern Zones, separated by a northeast-southwest striking fault system (see Figure 2). The two mineralised zones have a combined strike length of around 1.5 km of mineralisation.

The mineralisation intersected in the Western Zone is an E-W zone with a strike extent of around 800m where the two itabirite bodies dip around 45^{o} to the N-NE (see Figure 3). The two bodies are understood to be limbs of an anticline that has been overturned to the SW. The zones of friable itabirite mineralisation have true widths of between 10-25m with the wider zones generally nearer to the surface.

The Eastern Zone consists of three bodies that extend over a combined strike length of around 750m that dip 30-45^{o} to the N-NE with mineralisation widths of 10-25m. Section 7 in Figure 4 demonstrates a typical section through the Eastern Zone.

The mineral assemblage of the Candonga friable itabirite mineralisation is slightly different to that of the Jambreiro Project. Hematite and magnetite 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.

The high-grade itabirite mineralisation is believed to be the result of hydrothermal enrichment within a structurally controlled lens that has then been further enriched through supergene processes near to surface. A small 400m diamond drill program has been developed to improve the understanding of the geology as well as to extract more metallurgical samples from both the friable itabirite and the high-grade itabirite mineralisation.

-ENDS-

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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.

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Figure 1 – Candonga Project Location Map

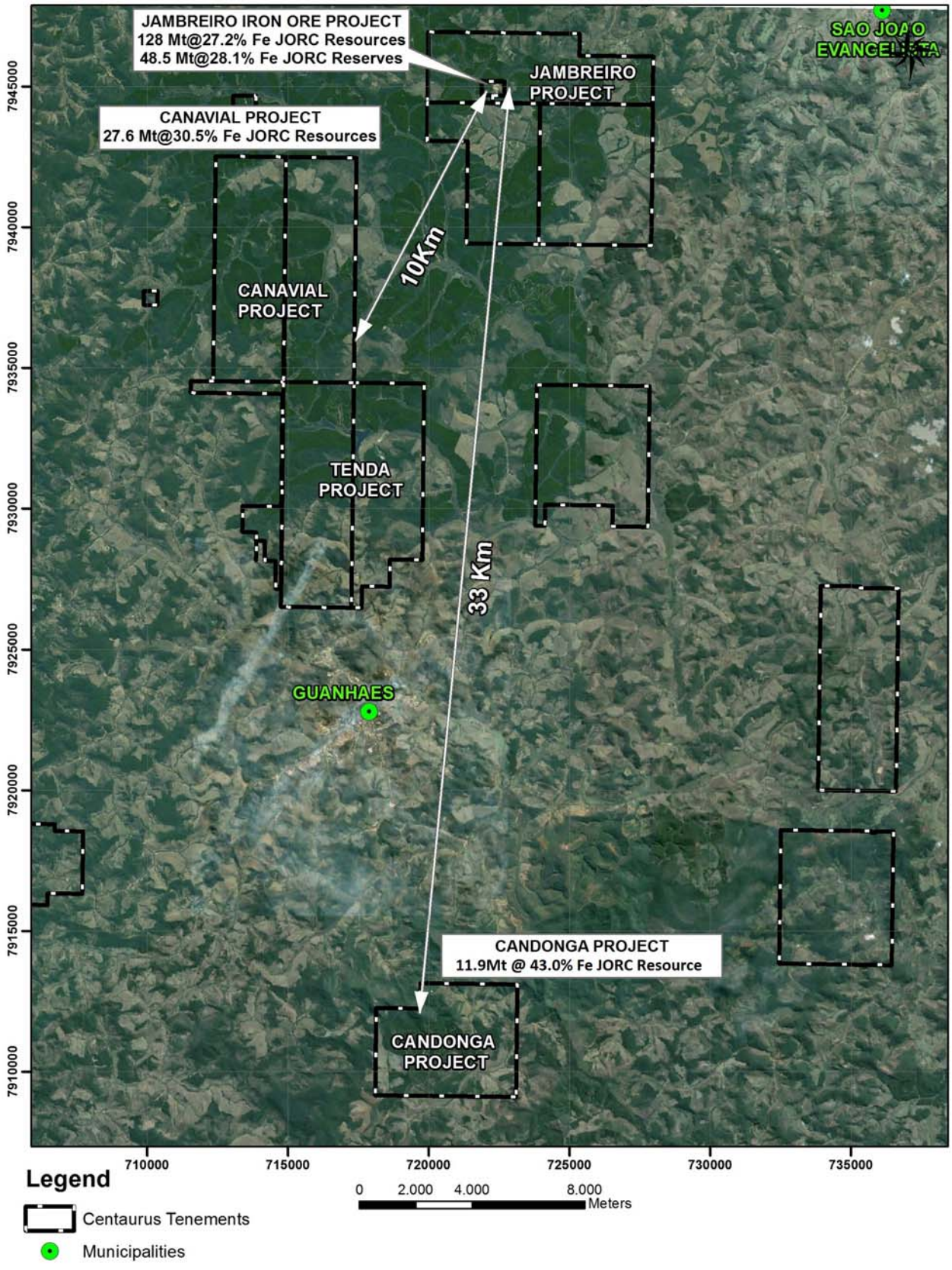

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Figure 2 – Candonga Iron Ore Project Map – Analytical Signal Mag Image and Drill Results – August 2013

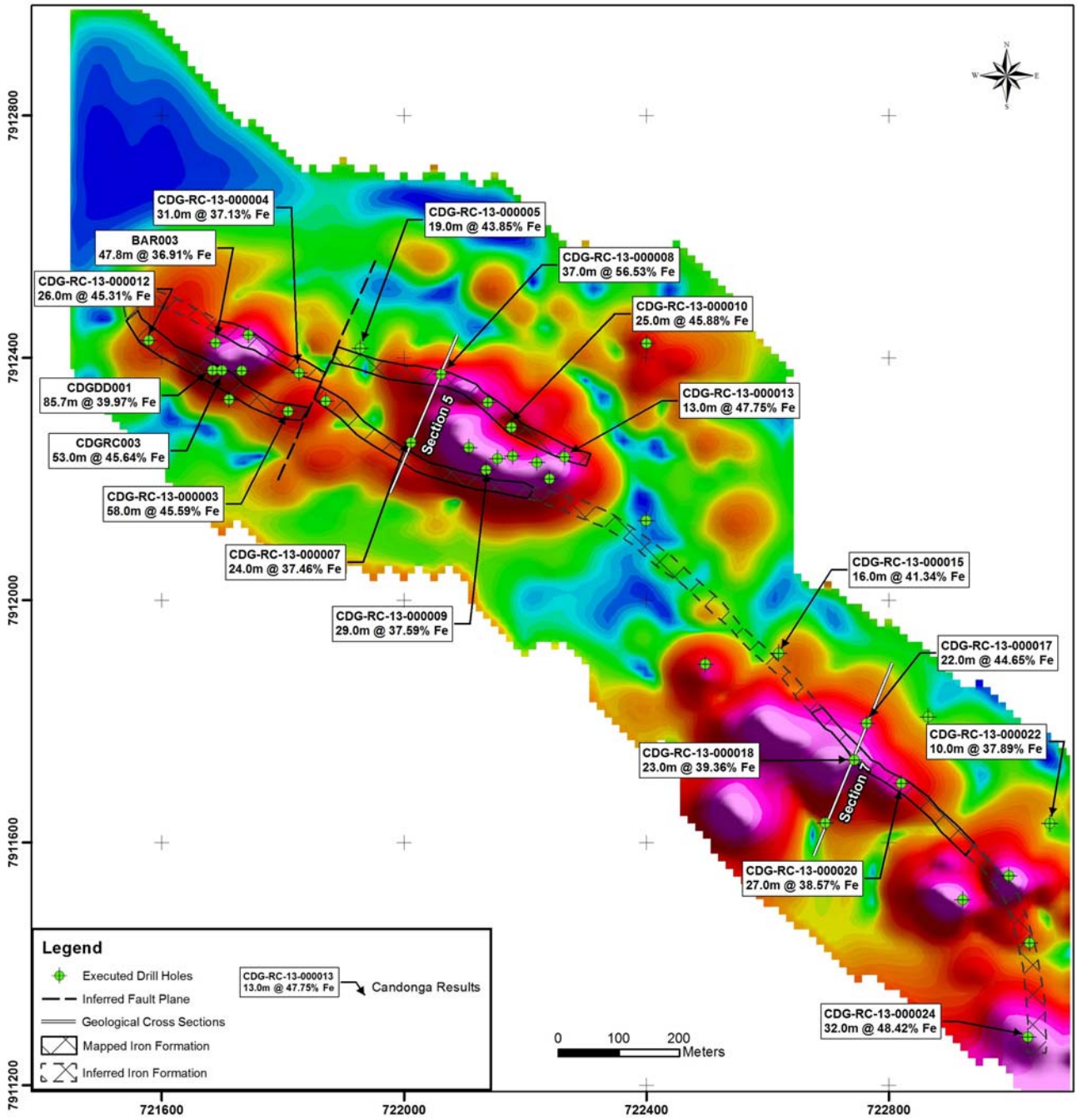

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Figure 3 – Candonga Iron Ore Project – Schematic Cross Section 5

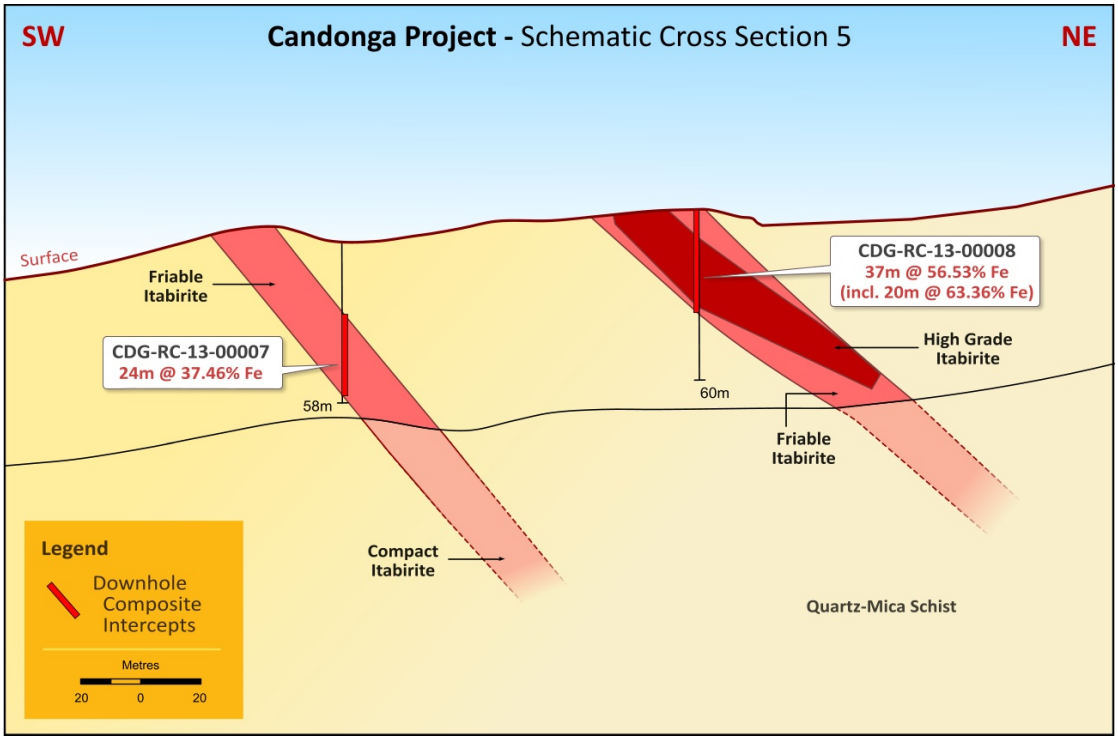
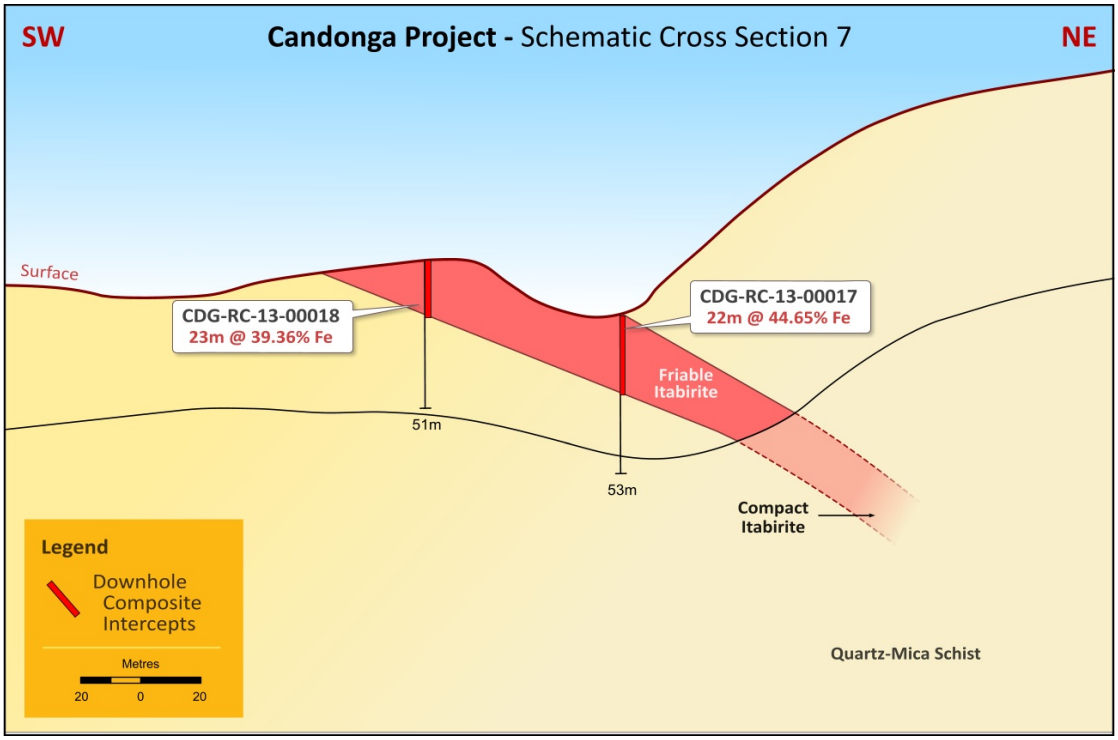


Figure 4 – Candonga Iron Ore Project – Schematic Cross Section 7



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Appendix A – Candonga Mineral Resource Estimate by Mineralisation Type - August 2013

Material	JORC Category	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
High Grade Itabirite	**Indicated**	0.73	58.4	11.9	2.5	0.03	0.9
	Inferred	0.15	59.7	10.3	2.2	0.03	0.7
	TOTAL	**0.88**	**58.6**	**11.6**	**2.4**	**0.03**	**0.9**
Friable Itabirite	**Indicated**	2.94	42.3	29.7	4.1	0.09	3.1
	Inferred	5.25	42.2	30.2	4.3	0.07	3.1
	TOTAL	**8.19**	**42.2**	**30.0**	**4.2**	**0.08**	**3.1**
Compact Itabirite	**Indicated**	0.03	42.2	32.3	1.7	0.08	2.0
	Inferred	2.75	40.1	31.3	4.5	0.08	3.3
	TOTAL	**2.78**	**40.1**	**31.3**	**4.5**	**0.08**	**3.3**
Grand Total	**Indicated**	**3.70**	**45.5**	**26.2**	**3.8**	**0.08**	**2.7**
	Inferred	**8.15**	**41.8**	**30.2**	**4.4**	**0.08**	**3.1**
	TOTAL	**11.85**	**43.0**	**29.0**	**4.2**	**0.08**	**3.0**

20% Fe Cut-off

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Appendix B – Details of the Candonga Resource Estimate – August 2013

General Information	
Project Name	Candonga Iron Ore Project
Tenement Number	831.629/2004
Location	Located approximately 150 km NE of Belo Horizonte and 12 km South of Guanhães in Minas Gerais, Brazil. Located 33 km south of the Jambreiro Iron Ore Project.
Geological Description	The Candonga Project is located within the Guanhães 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 units are part of an iron formation including ferruginous quartzites and quartzites hosted within a metasedimentry 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, goethite, limonite, with minor amphibole (Grunerite), Mica (muscovite) and clay minerals. There are isolated occurrences of high grade magnetite lenses (up to 20 metres thick) associated with hydrothermal enrichment.
	Itabirite thicknesses vary from 5m to up to 40m generally dipping 30-45^{o} to the N-NE. The combined strike length of the mapped mineralisation is around 1,500 metres. Itabirite has been intersected at depths up to 120m with friable itabirite intersected up to 80 metres.
Spatial Limits of Resource: Total Resource Area	721527.5mE to 723102.5mE
	7911027.5mN 7912552.5mN
	732.5mRL to 1012.5mRL (surface)
Resource Base	Max depth of 100m from base of drilling.
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	The bulk density for the resource estimation is assumed based on the knowledge of the regional geology and the similarity to the mineralisation seen at the Jambreiro Project. No bulk density measurements were taken in the recent RC drill program.	
Bulk Density Values (t/m^3)		
Material Type		Itabirite
Friable Itabirite and Colluvium		2.3
Compact Itabirite		3.0
Magnetite		3.8
Drilling		
	Holes	**Metres**
DDH	3	177.95
RC	33	2,005.30
Total	36	2,183.25
Survey		
Grid System	SAD_69 23S	
Collar Survey	All survey collars were surveyed using Total Station	
DH Survey	No down hole surveys have been completed	
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_2O_3,P, Mn, TiO_2, CaO, MgO, K_2O, Na_2O and Cr_2O_3. FeO by a Volumetric Determination (VL3) and LOI using Loss Determination by Gravity	
Elements	Fe, SiO_2, Al_2O_3,P, Mn, TiO_2, CaO, MgO, K_2O, Na_2O and Cr_2O_3	
QAQC	At total of 143 control samples were used including 64 Duplicate, 79 Standards. Standards inserted every 50 samples, duplicates every 20.	

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Block Model Parameters			
Estimation Method	Inverse distance squared (ID^2)		
	Y	**X**	**Z**
Parent Block Sizes	50m	50m	10m
Sub Block Sizes	5m	5m	5m
Attributes:			
Rock_code	(Itb_F, Itb_C, Itb_MAG and Waste)		
OB	Model Name		
Fe%	Fe Grade, ID^2		
SiO_2%	SiO_2% Grade, ID^2		
Al_2O_3%	Al_2O_3% Grade, ID^2		
P%	P% Grade, ID^2		
Mn%	Mn% Grade, ID^2		
TiO2%	TiO_2% Grade, ID^2		
CaO%	CaO% Grade, ID^2		
MgO%	MgO% Grade, ID^2		
K2O%	K_2O% Grade, ID^2		
Cr2O3%	Cr_2O_3% Grade, ID^2		
LOI%	LOI , ID^2		
CLASS	Resource Classification Class		
Density	Bulk Density of Itb_C, Itb_F, Itb_MAG and waste		

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