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CENTAURUS SECURES NEW MANGANESE PROJECT IN BRAZIL

Strengthened manganese portfolio positions Centaurus to capitalise on strong manganese demand from domestic steel industry in Brazil

International iron ore company Centaurus Metals Ltd (ASX Code: CTM) is pleased to advise that it has secured an exclusive option over a **strategically located manganese project** in the State of Minas Gerais, south-eastern Brazil, positioning it to further expand its regional manganese exploration portfolio and develop a small-scale manganese project that would complement the Company's emerging iron ore operations.

The Ribeirão Manganese Project

The Company has secured an option to acquire the **Ribeirão Manganese Project**, located 120 kilometres from Gerdau's 4.5mtpa Açominas Steel Facility, 200 kilometres from the open access export port of Sepetiba and 25 kilometres from the open access MRS railway line (see Figure 1).

The Project – which comprises three tenements (two with Final Reports approved and one Exploration Lease) covering an area of approximately 7 km^2 and which was mined artisanally several decades ago from an historic open pit – has an Exploration Target of **1 to 2 million tonnes grading 25-33% Mn**[1].

Manganese, which is in high demand from the local Brazilian steel mills, is a logical and high margin addition to the Centaurus project portfolio in south-eastern Brazil. As a frequently used additive (with few substitutes) in making certain steels, manganese complements Centaurus' emerging domestic and export iron ore business.

The mineralisation, evident in the old pit area at Ribeirão, is a manganese oxide with supergenic enrichment. Early stage crushing and screening indicates that a saleable product can be produced at a size fraction greater than 10mm. Limited surface rock chip sampling has to date shown that a product grading up to 35% Mn can be produced via simple crushing and screening at the >10mm size fraction.

Option Agreement

Under the terms of the Option Agreement, Centaurus will pay US$60,000 for an exclusive 6-month option over the Project, during which time exploration activities will be undertaken to assess the Exploration Target and its ability to host an economic manganese project for the nearby domestic steel industry. Centaurus can exercise the option any time during the 6-month period through the payment of an up-front purchase amount and a future Net Smelter Royalty on all manganese production over a specified final product tonnage threshold.

Centaurus has already undertaken a number of field visits for due diligence purposes which have enabled the Company to map and sample the outcropping manganese mineralisation. The manganese has been mapped in the old pit area over a strike length of some 200 metres and the mineralisation appears to be approximately 20 metres in width. Assay results from the initial rock chip sampling indicate that the manganese grades between 25% and 33% Mn, with low phosphorus levels. Only small amounts of iron, between 4% and 7% Fe, were found in the samples collected (see Table 1).

[1] *Note: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resources have not been used in this context. The potential quantity and grade range is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

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The mineralised zone appears to extend for more than 1 kilometre outside of the old pit but the widths and grade of mineralisation need to be tested in this area.

Commentary

Commenting on the acquisition, Centaurus' Managing Director, Mr Darren Gordon, said: *"Securing the strategically located Ribeirão Manganese Project, provides the opportunity to build our manganese portfolio in an area that will allow us to supply the domestic steel industry in Brazil.*

"With manganese being such a high value commodity, we have the opportunity to supply a customer base in Brazil that simply can't source enough high quality product and in turn generate healthy returns from a relatively small project base," he added.

-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 Dr Klaus Petersen who is a Member of the Australasia Institute of Mining and Metallurgy. Dr Petersen is a permanent employee of Centaurus Metals Limited. Dr Petersen 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'. Dr Petersen 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 – Location Map of Ribeirão Manganese Project with Infrastructure and Key Domestic Steel Mills

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Table 1
Rock Chip Sample Assay Results
Ribeirão Manganese Project

Hole ID	Sample Type	Size Fraction	SAD East	SAD North	mRL	Mn%	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
NAZ-RIB-CS-01	**Outcrop sample**	**Global**	**533605**	**7662563**	**947**	**32,89**	**4,09**	**22,74**	**10,40**	**0,053**	**12,74**
		>19.00mm				31,83	3,97	28,25	8,71	0,055	11,20
		>10.00mm				34,98	3,70	22,97	9,24	0,050	11,88
		>0.15mm				34,86	3,84	22,27	9,35	0,050	12,58
		<0.15mm				24,37	5,74	33,67	10,60	0,063	12,35
NAZ-RIB-CS-02	**Outcrop sample**	**Global**	**533648**	**7662546**	**951**	**31,19**	**5,69**	**22,29**	**12,17**	**0,107**	**11,48**
		>19.00mm				28,98	5,75	25,44	12,95	0,095	10,83
		>10.00mm				30,35	5,40	24,41	10,62	0,106	11,85
		>0.15mm				30,32	5,61	24,92	10,53	0,111	12,40
		<0.15mm				21,20	6,41	39,10	9,38	0,103	10,92
NAZ-RIB-CS-03	**Outcrop sample**	**Global**	**533666**	**7662531**	**958**	**27,72**	**5,97**	**23,46**	**13,55**	**0,056**	**13,18**
		>19.00mm				29,92	5,99	20,48	13,82	0,071	13,40
		>10.00mm				31,19	5,74	19,23	13,92	0,061	13,58
		>0.15mm				30,22	6,26	18,50	14,24	0,066	14,39
		<0.15mm				15,48	6,38	37,31	16,77	0,050	14,07
NAZ-RIB-CS-04	**Outcrop sample**	**Global**	**533680**	**7662552**	**959**	**26,53**	**5,32**	**28,97**	**13,18**	**0,093**	**10,51**
		>19.00mm				24,12	4,69	35,11	12,55	0,086	9,09
		>10.00mm				24,92	5,10	34,48	11,84	0,091	9,05
		>0.15mm				28,05	4,85	26,96	12,94	0,099	11,62
		<0.15mm				21,37	6,61	28,46	14,94	0,115	14,31
NAZ-RIB-CS-05	**Outcrop sample**	**Global**	**533605**	**7662563**	**947**	**25,15**	**7,39**	**13,39**	**21,89**	**0,076**	**16,66**
		>19.00mm				25,51	6,36	21,37	18,43	0,059	13,03
		>10.00mm				21,95	8,13	12,94	24,37	0,078	17,59
		>0.15mm				27,62	6,94	13,74	19,65	0,070	15,36
		<0.15mm				3,31	9,06	32,34	28,95	0,073	17,54

*All samples were analysed using an XRF fusion method with LOI at 1000 0C

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