

Centaurus: Powering towards production



CentaurusMetals
Limited ASX: CTM



- ***Low costs***
- ***Strong margins***
- ***Outstanding growth potential***

Darren Gordon
Managing Director

Annual General Meeting
23 November 2012



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- 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.
- The information in this report that relates to Ore Reserves is based on information compiled by Beck Nader who is a professional Mining Engineer and a Member of Australian Institute of Geoscientists. Beck Nader is the Managing Director of BNA Consultoria e Sistemas Ltda and is a consultant to Centaurus. Beck Nader has sufficient experience, which is relevant to the style of mineralization 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'. Beck Nader consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.



- Building a long-term iron ore business in SE Brazil
- Developing low capital and operating cost mines near existing infrastructure and customers
- 2Mtpa domestic production on track to commence at Jambreiro by Q4 of 2013:
 - **BFS confirms life-of-mine revenue of A\$847M, EBITDA of A\$556M, NPV of A\$140M**
- High-grade, low impurity consistent quality product: growing domestic market
- Outstanding growth potential from compact ore, regional exploration, export strategy
- Experienced in-country management and technical team, backed by a strong Board
- Supportive strategic shareholders: Atlas Iron (19.6%), Liberty Metals & Mining (12.8%)

Centaurus Metals is well advanced towards its goal of becoming a profitable iron ore producer in Brazil by late 2013.



Brazil – Latin America's Economic Powerhouse



• World economic ranking:	6 th
• Ranking in Latin America:	1 st
• GDP growth (2012)	1.5%
• Revised GDP growth forecast (2013):	4.0%
• Population:	~205M
• Iron ore exports:	>320Mtpa
• Steel production:	~35Mtpa

By 2050, the Brazilian population is expected to increase to 260M and the economy is forecast to be one of the world's Top Five, making it a highly attractive destination for foreign investment. *(Source: Goldman Sachs)*

*Source: Brazilian Central Bank, CIA – The World Factbook, Bloomberg
CRU International Limited – The Iron Ore Market Outlook – October 2012*

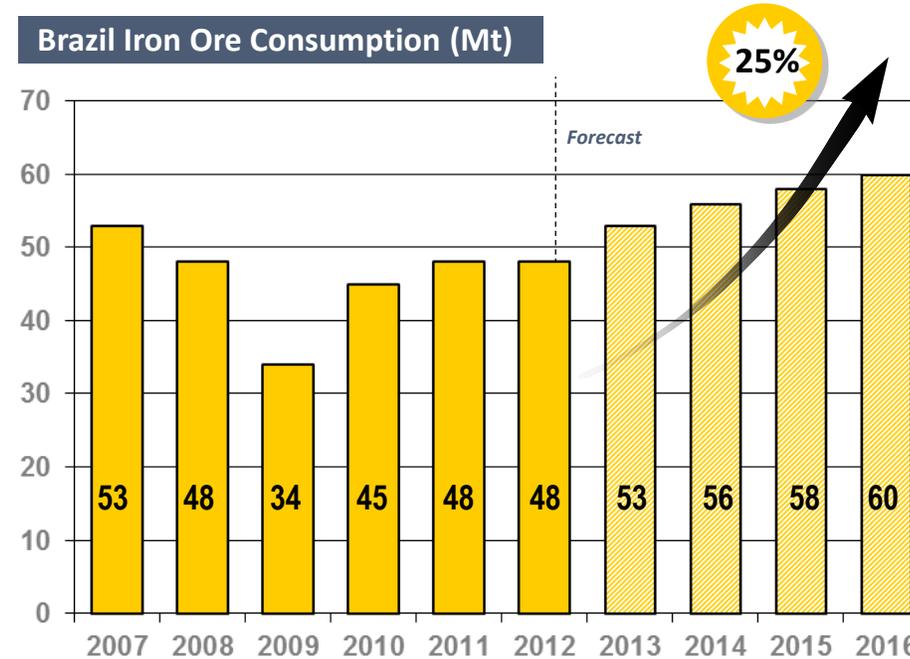
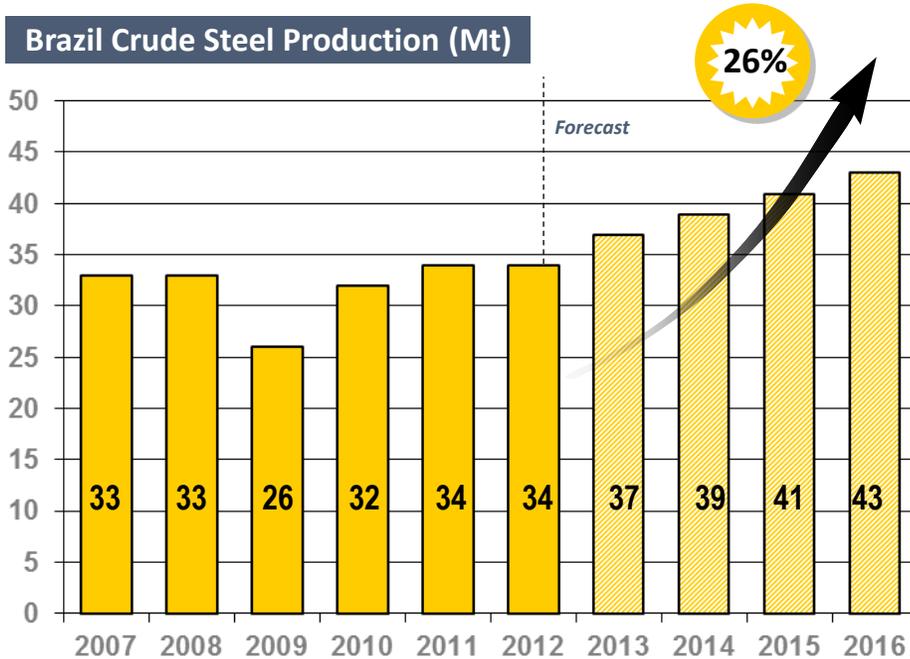


Aerial view of Belo Horizonte, Minas Gerais, Brazil

Brazilian Iron Ore Market



- Large domestic market for iron ore consumption
- Brazilian economy expected to rebound in the medium term with infrastructure investment for 2014 Soccer World Cup and 2016 Olympics
- Significant market opportunity with major steel mills located within 180km radius of key Centaurus Projects



Source: CRU International Limited – The Iron Ore Market Outlook – October 2012

2014 Soccer World Cup



Corporate Overview



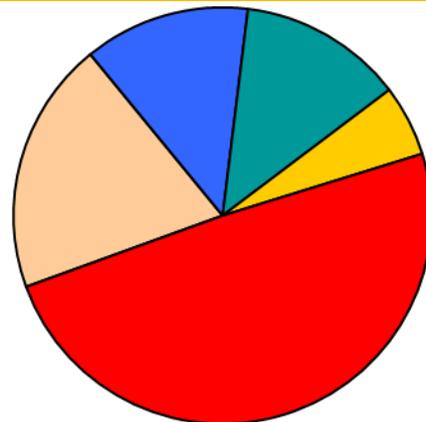
Capital Structure (post capital raising)

Shares on Issue	196.0m
Options	13.6m
Share Price	A\$0.30
Market Capitalisation	A\$58.8m
Cash at bank (30 September 2012)	A\$28.7m
Enterprise Value	A\$30.1m

Major Shareholders

Atlas Iron Ltd (19.6%) – An ASX-listed iron ore company (AGO), currently producing at the rate of ~7Mtpa. Since listing in 2004, Atlas has grown rapidly as is now an S&P ASX 100 company. Atlas employs over 450 people, has a market capitalisation of circa \$1.5 billion, cash reserves of \$313.6m (30 September 2012) and an underwritten US\$325m term loan facility to fund its Horizon 1 growth strategy to 12Mtpa.

Liberty Metals and Mining Holdings LLC (12.8%) – A Boston-based subsidiary of Liberty Mutual Insurance, the third largest diversified property and casualty (“P&C”) insurer in the US and the sixth largest P&C insurer worldwide.



- Atlas Iron Ltd - 19.6%
- Liberty Metals & Mining - 12.8%
- Institutions - 12.7%
- Directors and Management - 5.5%
- Others - 49.1%



Broker Research

Broker	Date	12-Month Price Target
Ord Minnett	08-11-12	\$1.17
Canaccord Genuity	07-11-12	\$1.15
PCF Securities	08-11-12	\$1.13
RFC Ambrian	05-11-12	\$0.91
Investec	07-11-12	\$0.50
Hartleys	06-11-12	\$0.44

Centaurus Key Personnel – Board and Management



Centaurus Metals Board



Didier Murcia – Independent Non-Executive Chairman
Lawyer, 25 years experience, Non-executive Director – Gryphon Minerals and Rift Valley Resources. Honorary Australian Consul to Tanzania



Darren Gordon - Managing Director
Chartered Accountant, 20 years experience, extensive resource financing and operations exposure. Previously CFO at Gindalbie Metals



Peter Freund - Operations Director
Mechanical Engineer, 40 years experience, former General Manager of the Karara JV, and head of MIM team at Alumbreira Copper Mine, South America. Developed Oaky Creek Coal and MacArthur River Lead/Zinc Project



Keith McKay – Independent Non-Executive Director
Geologist, 40 years experience, former Chairman – Gindalbie Metals and former Managing Director – Gallery Gold and Battle Mountain



Richard Hill – Independent Non-Executive Director
Solicitor and Geologist, 20 years experience, co-founded Centaurus and director of resource Investment group, Westoria Capital



Mark Hancock - Non-Executive Director
Chartered Accountant, 25 years experience, former Chief Commercial Officer and currently Executive Director, Commercial – Atlas Iron. Has previously held senior financial roles with Woodside Petroleum, Premier Oil & Lend Lease



Sheila Lyons - Non-Executive Director
Investment Banker, 20 years experience, Current VP of Liberty Metals and Mining. Former executive with at HSBC Securities and Deutsche Bank focussed on power and utilities.

Centaurus Metals Senior Management



Geoff James: CFO & Company Secretary
Chartered Accountant, 20 years experience, former Group Financial Accountant at Clough Limited



Alexandro de Moura: GM – Operations
Engineer, 20 years experience, former Chief Operating Officer for MMX Mineracao



Bruno Scarpelli: GM – Environmental & OH&S
Former Environmental Coordinator at Carajas Iron Ore Operations, previously held roles with Brandt Meio Ambiente and Golder Associates



Roger Fitzhardinge: GM – Exploration & Evaluation
Geologist, former Manager of Technical Services and Senior Mine Geologist at Mirabela Nickel. Former geologist with BHP's Pilbara iron ore operations



Rodrigo Branco: GM – Commercial
Economist, 20 years experience, held various iron ore sales and commercial roles with Vale & CSN. Former Country Manager for ASX Listed SAFM Mineracao



Luiz Carlos Noronha Jr.: Legal Counsel & Administrator
Lawyer, 15 years experience in tax, commercial law and land access for mining company clients.

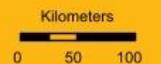
Centaurus has a strong management team, predominantly based in the Belo Horizonte office, experienced in developing Brazilian resource projects.

Brazilian Domestic Project Hub



Minas Gerais

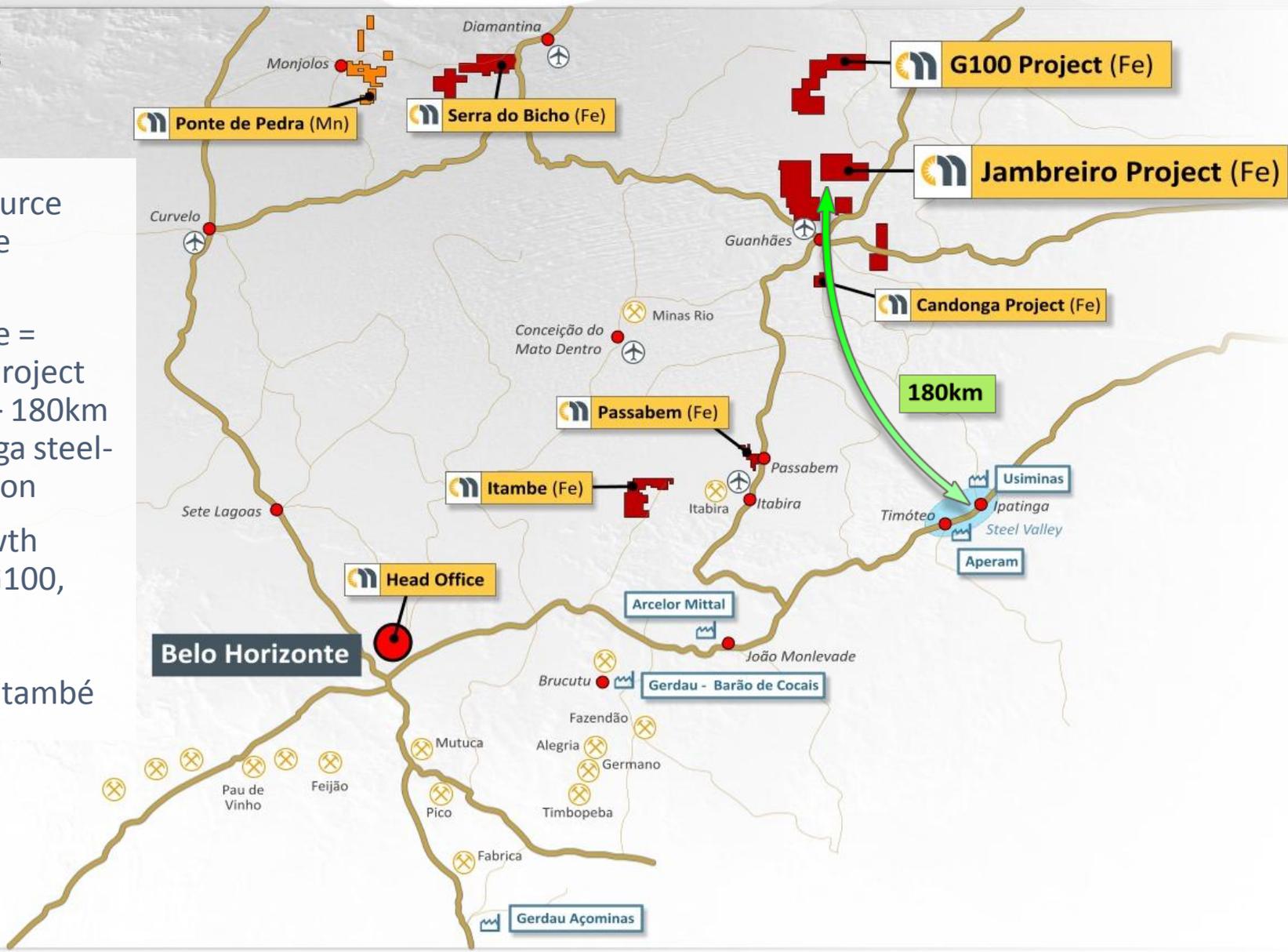
- Major Ports
- Existing Rail
- Rail Under Construction
- City
- Centaurus Project



Domestic Project Hub



- 174Mt resource base – three projects
- Cornerstone = Jambreiro Project (125.2Mt) – 180km from Ipatinga steel-making region
- Future growth potential: G100, Guanhaes tenements, Passabem, Itambé



Belo Horizonte

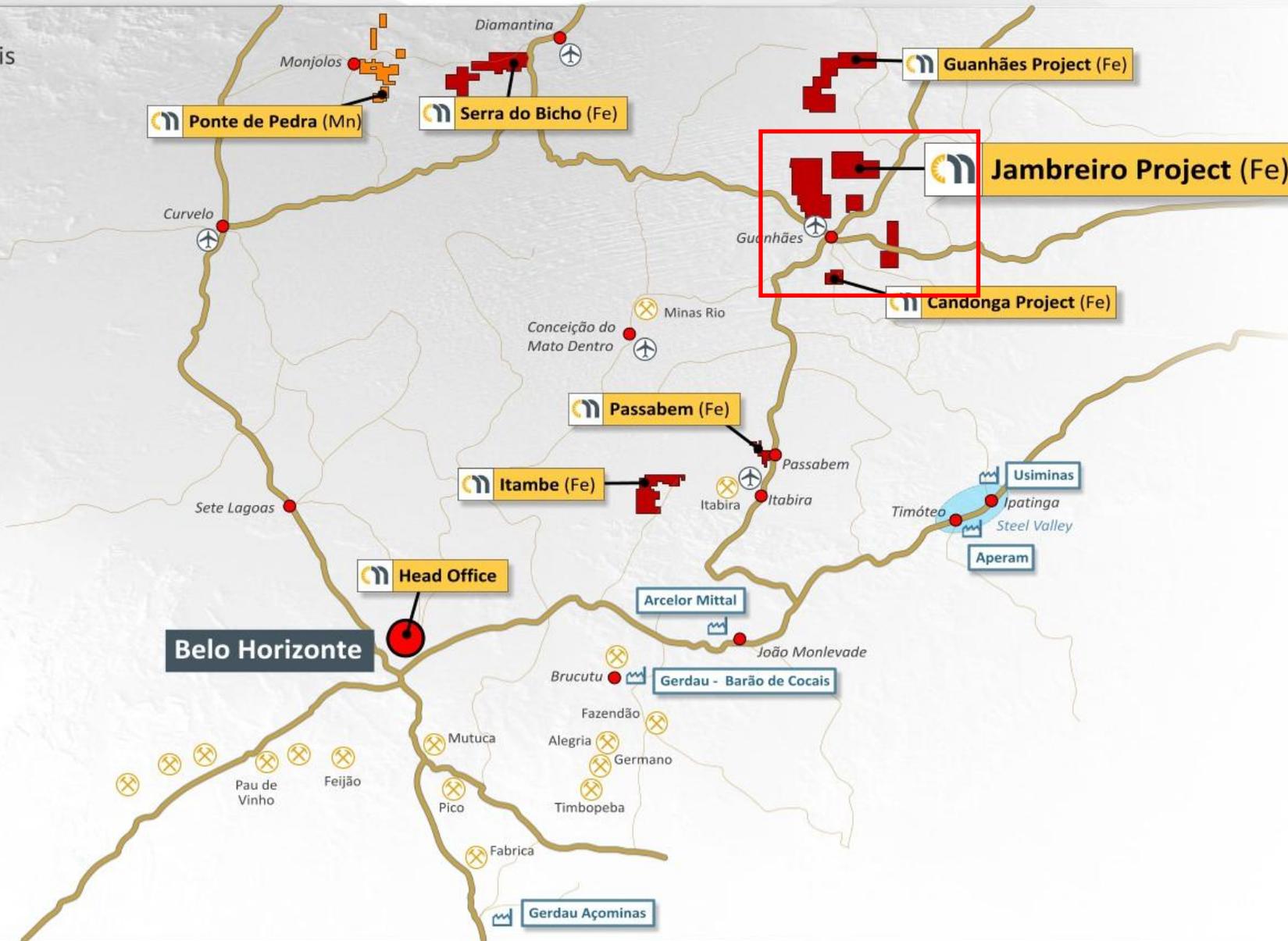
- Large City
- Town
- ✈ Airport
- Centaurus Project (Fe)
- Centaurus Project (Mn)
- ⊗ Major Iron Ore Mine
- ⌚ Smelter



Jambreiro – Overview



Minas Gerais



Belo Horizonte

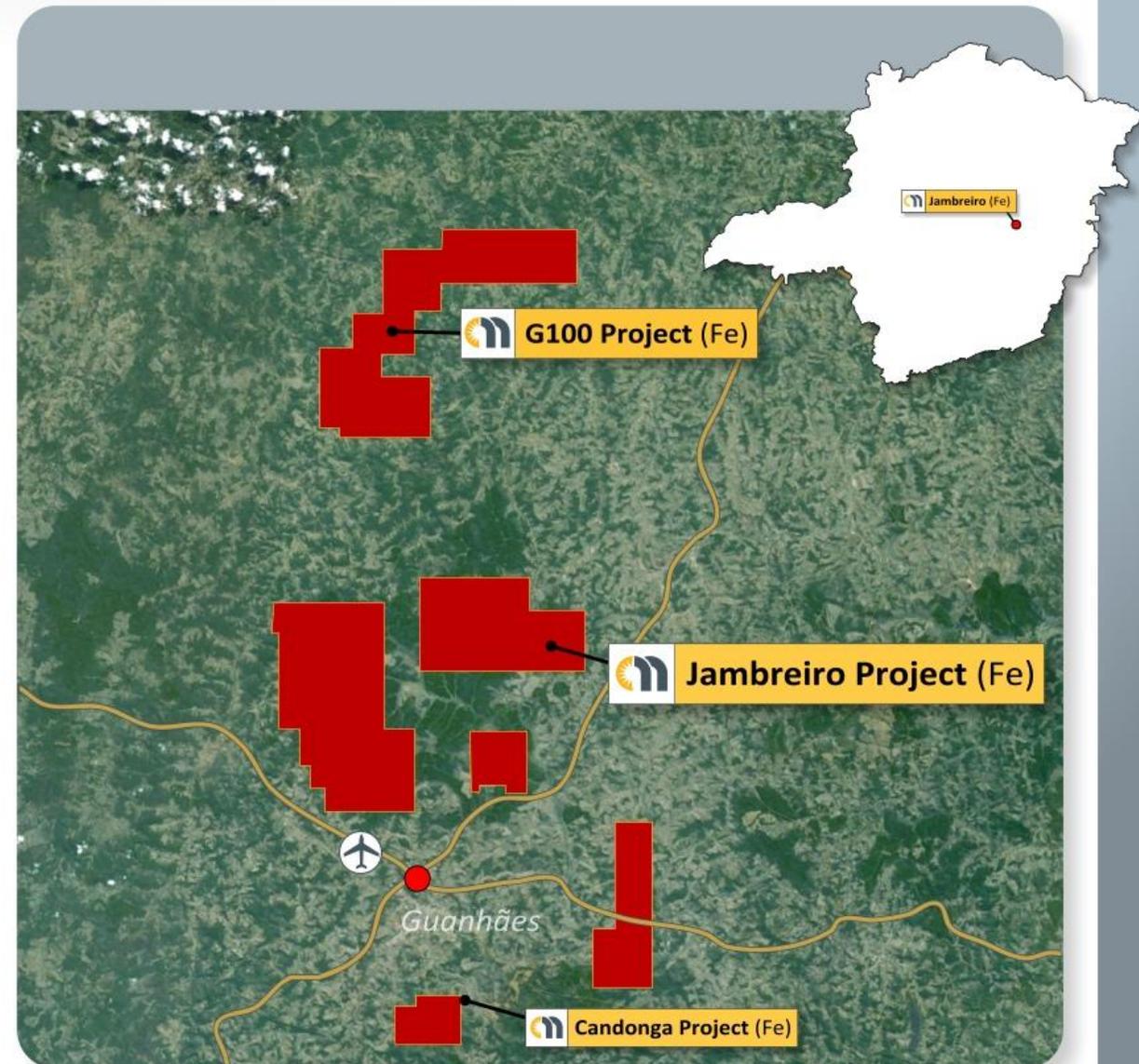
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Jambreiro – A Low-Cost, High-Margin Iron Ore Project



- Bankable Feasibility Study – November 2012:
 - Production: 2Mtpa @ 64.5% Fe
 - Life-of-Mine Revenue: A\$847M
 - Operating costs: A\$16.20/tonne
 - EBITDA: A\$556M, annual cash flows: A\$62M
 - Post-tax NPV: A\$140M, IRR: 33%
 - Pre-production CAPEX: A\$136M
- Consistent and reliable supplier of high-quality, low impurity iron ore to domestic steel mills
- Approvals on schedule: construction April 2013, first ore production December 2013
- Friable Ore Reserve: 48.5Mt @ 28.1% Fe
 - ~18Mt of high grade product = 9 year mine life
- Exceptional production and mine life upside



Jambreiro – Financial Evaluation



Key Financial Outcome

Total Revenue	A\$847M
EBITDA	A\$556M
Capital Costs	A\$136M
Annual Average Operating Cash Flow	A\$62M
Operating Cash Cost (per tonne of product – LoM)	A\$16.2/dmt
NPV _{8%} Pre-tax	A\$242M
NPV _{8%} Post-tax	A\$140M
Pre-tax IRR	47%
Post-tax IRR	33%

Jambreiro has very strong economics, with exceptionally low life-of-mine C1 cash operating costs (C1 + Royalties) of A\$16.20/tonne – reflecting the low stripping ratio (0.97:1), the free-digging nature of the friable material and the extent of natural liberation of the ore. This will position Jambreiro at the bottom end of the global cost curve and underpin its ability to generate strong operating margins at all stages of the commodity price cycle.

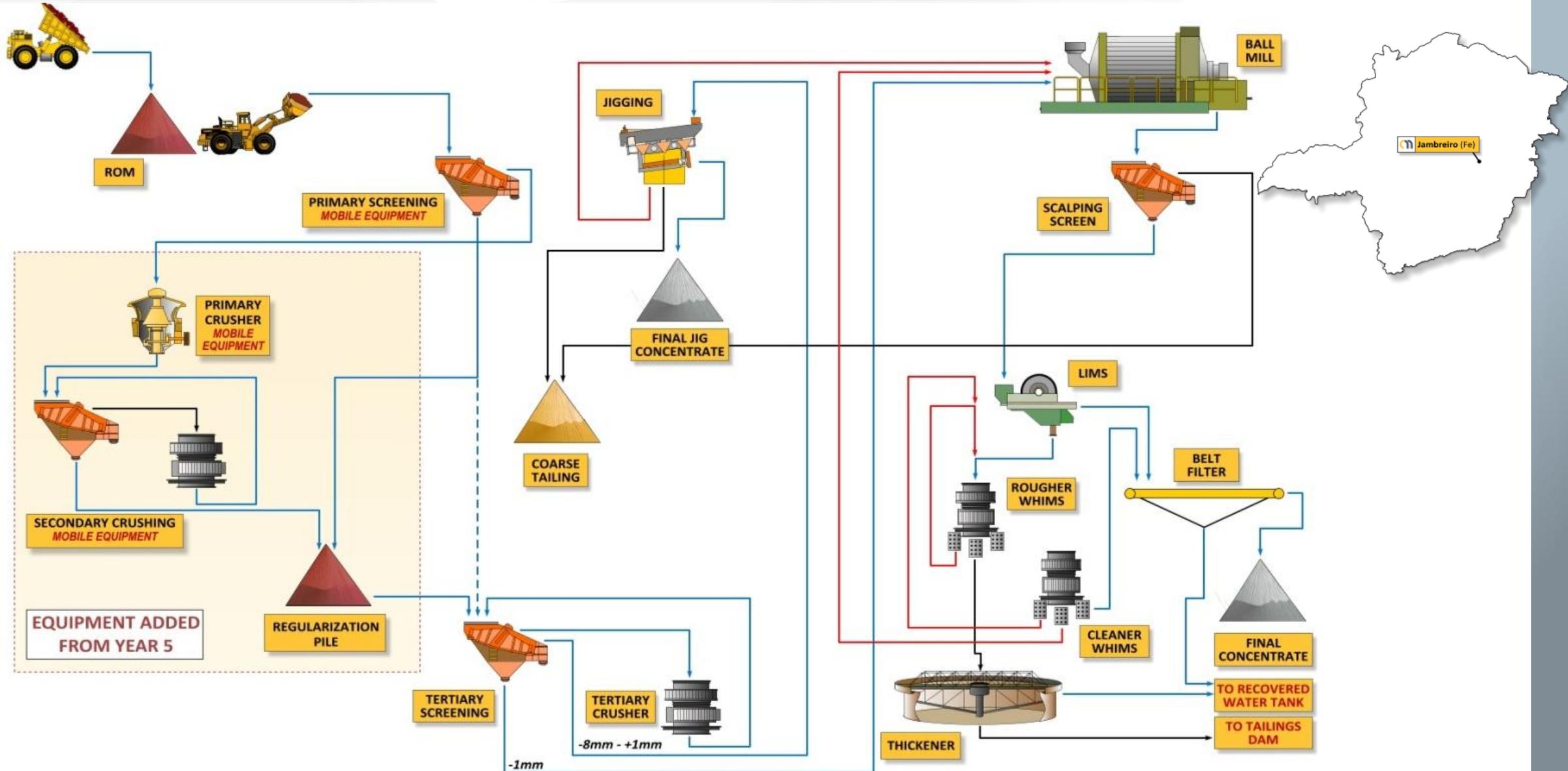


Jambreiro – Capital and Operating Costs

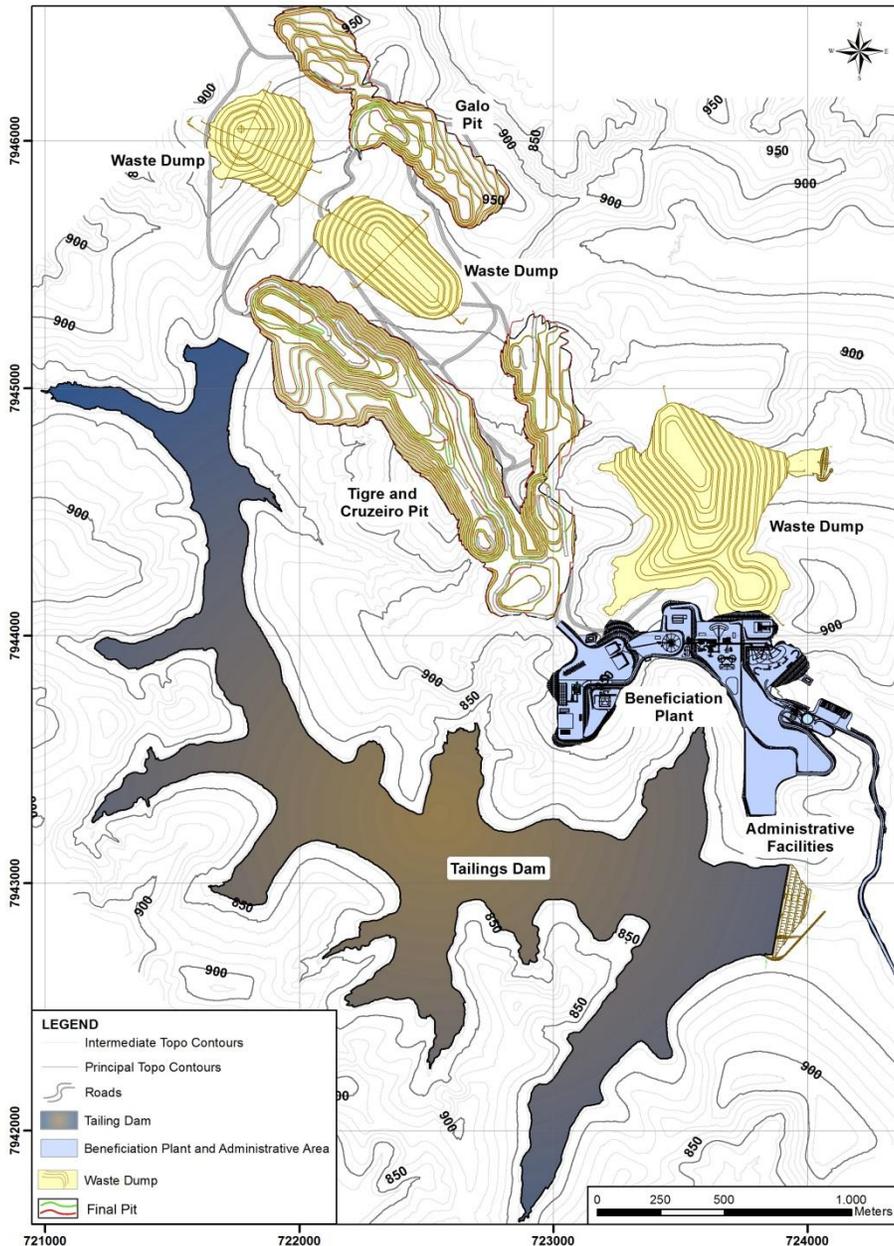


Capital Cost Breakdown		A\$ million	A\$ million
Direct Costs			
	Mining & Mine Fleet	8.0	
	Processing Plant	69.1	
	Water Supply & Management	9.0	
	Power Supply	17.3	
	Administration & Support Facilities	7.1	110.5
Detailed Engineering & EPCM			8.3
Other Indirect Costs			7.7
Contingency (7.5%)			9.5
TOTAL CAPEX			136.0
Operating Cost Breakdown		A\$ per Tonne Product	
Mining			4.1
Processing & Beneficiation			8.1
Administration			2.3
SITE OPERATING CASH COST (C1)			14.5
Royalties – Government and Landowner			1.7
TOTAL OPERATING CASH COSTS (C1 + Royalties)			16.2

Jambreiro – Process Flowsheet



Jambreiro – Site Layout



PRODUCT QUALITY	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Mass Recovery %
FRIABLE ORE – PILOT PLANT (30T) – Wet Magnetic Separation					
Head Grade	30.4	52.3	2.7	0.02	
Beneficiated Product	66.0	4.1	0.8	0.01	39.4

BFS Assumptions	
Initial mine life:	9.0 years
Strip ratio:	0.97:1
Production rate:	2Mtpa

Jambreiro – Land Access & Approval Process



Environmental Approvals

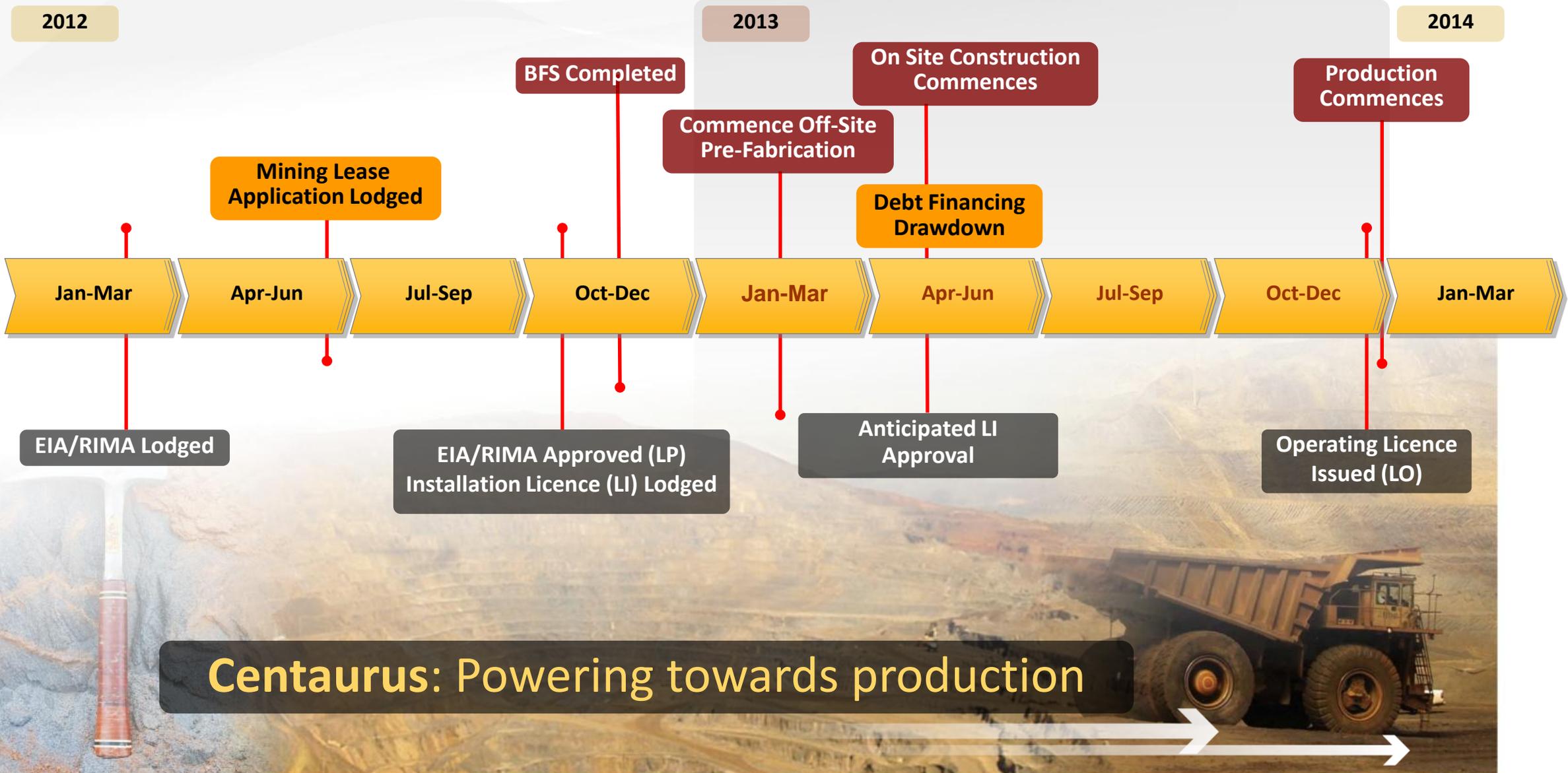
- EIA/RIMA – **Approved**
- Three stage approval process
 - LP October 2012 – Issued
 - LI April 2013 – Application Lodged
 - LO December Quarter 2013
- Strong community support for Project
 - Job creation
 - Share of royalty

Land Access

- 10-year land access and co-operation signed with land owner CENIBRA
- Project land used to grow eucalypt trees
- Much of Project area already cleared



Jambreiro – Development Timeline



Centaurus: Powering towards production

Jambreiro – Project and Mine Life Upside



Compact Ore

- Comprises **65.8Mt @ 27.7% Fe** within overall resource of 125.2Mt @ 26.7% Fe
- Successful test work has delivered beneficiated product grading 66.2% Fe
- Pit optimisation incorporating this material has defined an In Pit Resource:
 - **102.6Mt @ 26.7% Fe (82% of global resource)**
 - **Potential product of 36.3Mt of +65% Fe sinter blend concentrate**
- Strong opportunity to continue mining beyond the initial 9 years
- Potential to double the mine life to 18 years

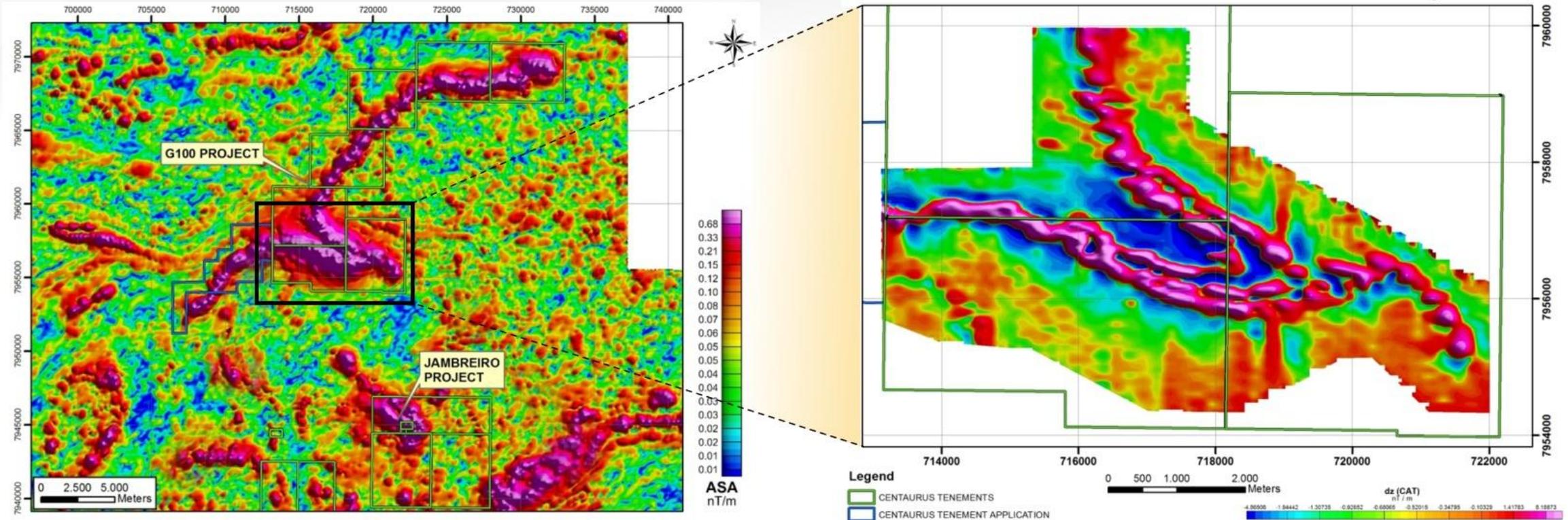
Regional Exploration

- Potential to define additional resources within economic haulage distance

PRODUCT QUALITY	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Mass Recovery %
COMPACT MINERALISATION – BENCH SCALE (Wet Magnetic Separation)					
Head Grade	25.0	55.9	2.2	0.07	
Beneficiated Product	66.2	3.7	0.9	0.01	35.2



Jambreiro – Exploration Upside



G100 Project

- Initial mapping and detailed ground magnetic survey completed
- Large magnetic anomaly, with 30km strike only 15km from Jambreiro
- Similar geological setting to the friable ore identified at Jambreiro
- To date magnetic signature has not been explained – no outcrop
- 2,500m initial RC drilling program underway

Serra da Lontra Iron Ore Project – Bahia



- 140km via sealed road from export port of Ilheus
- Opportunity for relatively low CAPEX export business
- Supportive State Government in Bahia
- Resource nearing completion
- Scoping Study underway



Bahia

- Major Ports
- Existing Rail
- Rail Under Construction
- City
- Centaurus Project



Curral Velho Iron Ore Project – Paraíba



- 20km strike of prospective iron formation
- 65km from major rail line under construction
- 350km from major export port of Suapé
- Tenement extensions being applied for with DNPM



Summary



- Brazil-focused iron ore developer
- Proven business model: **Mine, Beneficiate, Deliver**
- Low capital intensity, low operating costs
- Strong forecast cash flows
- 15 months to production
- Well-funded: \$28m cash
- Supportive strategic shareholders: Atlas & Liberty



Centaurus is poised to join the ranks of Australian iron ore producers...in Brazil.



Centaurus: Powering towards production



CentaurusMetals
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- ***Low costs***
- ***Strong margins***
- ***Outstanding growth potential***

Darren Gordon
Managing Director

November 2012 Investor Update



Jambreiro Project – October 2012 Resources and Reserves



Ore Reserve Classification	Mt	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	LOI %
Proven	35.4	28.5	49.6	4.3	0.04	1.7
Probable	13.1	27.2	49.0	5.3	0.04	2.4
Total	48.5	28.1	49.4	4.6	0.04	1.9
Mineral Resource Classification						
Measured	46.7	28.3	51.0	4.2	0.04	1.6
Indicated	35.5	26.5	49.9	4.3	0.05	1.7
Inferred	42.9	25.3	49.5	4.5	0.06	1.3
Total	125.2	26.7	50.2	4.4	0.05	1.5

Jambreiro Project – Key BFS Assumptions



Key Assumption

Ore Reserves	48.5Mt
Grade	28.1% Fe
Metal recovery per dry tonne	90%
Reserve – Final Product	18Mt
Grade	+64.5% Fe
Waste Movement	46.8Mt
Total Material Movement (including pre-strip)	95.3Mt
Waste to Ore Ratio (LOM)	0.97 to 1
Production Rate	2Mtpa
Average LoM Exchange Rate AUD to BRL	1.90
Average LoM Exchange Rate AUD to USD	0.86
Average LoM Exchange Rate USD to BRL	2.21
Average Sales Price – FOB Mine Gate	A\$47/dmt
Discount Rate	8%

Jambreiro Project – Sensitivity Analysis



2 Mtpa	Case					Post Tax – NPV (A\$M)				
Variable	-20%	-10%	Base	+10%	+20%	-20%	-10%	Base	+10%	+20%
Average LoM Price (FOB Mine) A\$/dmt	38	42	47	52	56	73.9	106.8	139.6	172.4	205.2
Capital Expenditure (A\$M)	163	150	136	122	109	119.6	129.6	139.6	149.6	159.6
Direct Operating Expenditure (A\$M/dmt)	17.4	16.0	14.5	13.1	11.6	117.4	128.5	139.6	150.7	161.9
Foreign Exchange Rate R\$/A\$	2.28	2.09	1.90	1.71	1.52	116.3	126.9	139.6	155.1	174.5
Discount Rate %	10	9	8	7	6	119.1	129.0	139.6	151.0	163.1

