

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



18 March 2013

JAMBREIRO IRON ORE PROJECT CLOSES ON DEVELOPMENT WITH APPROVAL OF PROJECT ECONOMIC DEVELOPMENT PLAN (PAE)

Project Installation Licence (LI) on schedule for approval in April 2013, enabling on-site construction to begin

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that the Federal Department of Mineral Production (DNPM) in Brazil has approved the PAE (Economic Development Plan) for its flagship **Jambreiro Iron Ore Project** in south-eastern Brazil. This effectively represents the penultimate approval required before the issue of the Installation Licence (LI), which allows on-site development to proceed.

The PAE is the primary technical document in the Mining Lease Application process and demonstrates both the commercial viability of the Jambreiro Project as well as the Company's capacity to implement it.

In conjunction with the previously received approval of the Environmental Impact Assessment, the PAE approval now provides the basis for the Environmental Control Plan (PCA) to be approved and the Minas Gerais State Environmental Committee, COPAM, to issue the Installation Licence (LI) to the Company. This key milestone is on track to be achieved in April 2013, clearing the way for Centaurus to commence on-site construction.

The grant of the Mining Lease for the Jambreiro Project by the DNPM can occur at any time following the receipt of the Installation Licence in April 2013 through to completion of the construction process and the receipt of the Operating Licence (LO) by the environmental agency, expected around December 2013.

The approval of the PAE continues to demonstrate the quality attributes of the Jambreiro Project and delivery of the required approvals against the Centaurus development plan. A summary of the key approvals, received and to be received, is set out below:

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| • DNPM Final Exploration Reports | - Lodged with DNPM on 27 January 2012 |
| | - Approved by DNPM on 25 May 2012 |
| • DNPM PAE Report | - Lodged with DNPM on 11 July 2012 |
| | - Approved by DNPM on 14 March 2013 |
| • Environmental Impact Assessment (EIA/RIMA) | - Lodged with SUPRAM on 26 March 2012 |
| | - Approved by SUPRAM on 22 October 2012 |
| | - Licence Delivered: Preliminary Licence (LP) |
| • Environmental Control Plan (PCA) | - Lodged with SUPRAM on 31 October 2012 |
| | - Approval expected in April 2013 |
| | - Deliverable: Installation Licence (LI) |

In November 2012, Centaurus delivered a positive Bankable Feasibility Study (BFS) on the Jambreiro Iron Ore Project, which outlines a robust, low-cost 2Mtpa project capable of generating revenues of A\$836 million and EBITDA of A\$545 million over its initial 9-year life. The Company recently announced the award of the Project Management contract as well as the start of Detailed Engineering and Procurement. The Jambreiro Project remains on schedule to commence construction in Q2 2013.

Centaurus' Managing Director, Mr Darren Gordon, said the approval of the PAE by the DNPM in Brazil represented another important step forward in the development schedule at Jambreiro and reflected the diligent and efficient management of the approvals and permitting process in Brazil by the Company's development and approvals team.

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“The team in Brazil continues to deliver against our timetable and we are continuing to work our way towards production by the end of the year, systematically ticking all of the boxes required to allow the Jambreiro development to move ahead on time,” he said.

“With the PAE now approved, the focus of the approvals process can centre on securing the Installation Licence during the course of April, putting the Company in a position to commence on-site construction shortly thereafter.”

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