

31 May 2013

CENTAURUS LAYS NEW GROWTH FOUNDATIONS WITH MAIDEN 27.6Mt JORC RESOURCE FOR CANAVIAL PROJECT

Emerging project located 10km from flagship Jambreiro Project lifts Guanhanes Region resource inventory to +150Mt and company-wide resources to +200Mt

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to advise that it has established a strong foundation for the future growth and expansion of its flagship **Jambreiro Project** in Brazil after delivering a maiden JORC Mineral Resource for the **Canavial Project**, a key satellite deposit located 10km to the south-west of Jambreiro (*Figure 1*).

The maiden Mineral Resource estimate, of **27.6 million tonnes at an average grade of 30.5% Fe**, has boosted the Company's JORC compliant resource inventory in the Guanhanes region of south-eastern Brazil to over **152 million tonnes** and the Company's total resource inventory in south-east Brazil to over **201 million tonnes**.

Importantly, the new Canavial Resource estimate includes **15.8 million tonnes grading 33.2% Fe of friable itabirite mineralisation**, of which 6.1 million tonnes grading 34.1% Fe has already been converted to Indicated Resources.

With the addition of this friable itabirite Resource at Canavial to that of the Jambreiro Project, the friable component of the Company's Guanhanes regional footprint now stands at **81.5 million tonnes grading 28.8% Fe** with over 70% of this resource base falling into the Measured and Indicated categories.

Mineral characterization and process testwork is underway focusing on the friable itabirite material at Canavial. Results of this testwork are due by the end of August 2013. The Company expects to be able to achieve similar beneficiation results to those achieved at Jambreiro, such that a high grade, low impurity concentrate can be produced.

The Canavial Project is advantageously located in an area predominantly covered by a eucalypt plantation, which means that environmental licensing for potential future project development will be relatively simple, as was the case with Jambreiro.

The maiden Canavial JORC Mineral Resource estimate is set out in Table 1 below, with additional technical details of the Resource provided in Appendix A attached:

Table 1 – Canavial Project JORC Mineral Resource Estimate by Resource Category – May 2013

Project	JORC Category	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Canavial	Indicated	6.5	33.6	33.6	7.1	0.10	7.9
	Inferred	21.1	29.6	38.0	5.7	0.07	5.9
	TOTAL	27.6	30.5	37.0	6.0	0.07	6.4

20% Fe Cut-off



The delivery of the Canavial Resource increases the Company's overall JORC compliant resource inventory in south-east Brazil to **201.7 million tonnes grading 28.6% Fe**, including **152.7 million tonnes grading 27.4% Fe** in the Guanhões Region, within **10km 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 ₂ O ₃ %	P %	LOI %
Canavial*	27.6	30.5	37.0	6.0	0.07	6.4
Jambreiro*	125.2	26.7	50.2	4.4	0.05	1.5
Guanhões Region	152.7	27.4	47.8	4.7	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	201.7	28.6	48.5	3.9	0.06	2.0

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

Table 3 below sets out the different mineralisation types at the Canavial Project, by resource category:

Table 3 – Canavial Mineral Resource Estimate by Mineralisation Type – May 2013

Material	JORC Category	Million Tonnes	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI %
Friable Itabirite	Indicated	6.1	34.1	32.6	7.2	0.10	8.0
	Inferred	9.7	32.6	34.5	8.4	0.07	7.1
	TOTAL	15.8	33.2	33.8	7.9	0.08	7.5
Compact Itabirite	Indicated	0.4	26.3	47.1	6.0	0.13	6.5
	Inferred	3.0	29.0	43.4	6.1	0.10	5.2
	TOTAL	3.4	28.7	43.9	6.1	0.10	5.3
Amphibolitic Itabirite	Indicated						
	Inferred	8.4	26.3	40.1	2.5	0.05	4.7
	TOTAL	8.4	26.3	40.1	2.5	0.05	4.7
Grand Total	Indicated	6.5	33.6	33.6	7.1	0.10	7.9
	Inferred	21.1	29.6	38.0	5.7	0.07	5.9
	TOTAL	27.6	30.5	37.0	6.0	0.07	6.4

20% Fe Cut-off

Canavial's Link to the Jambreiro Project

Given its location just 10km from the Jambreiro Project, Canavial has the potential to provide an additional source of friable itabirite to the Jambreiro Project. Jambreiro itself has a JORC Mineral Resource estimate (combined Measured, Indicated and Inferred) of **125.2 million tonnes grading 26.7% Fe** including an **Ore Reserve of 48.5 million tonnes grading 28.1% Fe of friable ore**.

Recent drilling at Jambreiro has been targeting the conversion of the friable material currently in the Inferred Resource category. The results from this drilling are imminent and an updated resource is expected before the end of June.

Centaurus has commenced detailed engineering works on the Jambreiro Project and recently received the key Installation Licence (LI) for the Project, allowing on-site construction activity to commence. As outlined earlier this week, Centaurus is targeting production of first iron ore concentrates at Jambreiro by mid-2014 as it completes potential life-of-mine off-take negotiations with domestic steel customers in Brazil in the coming months.



About the Canavial Project

The mineralisation at Canavial is divided into two zones; the Central Zone and the Southern Zone (*see Figure 2*). The Central Zone mineralisation strikes in a NW-SE orientation and has a strike extent of approximately 1,000m, dipping between 20 and 45° to the north-east.

The shallow zones of friable itabirite mineralisation are between 15 to 35m thick and extend over 100m down-dip between holes on section (*see Sections 4 and 5 in Figures 3 and 4*). The geometry and material characteristics of the Central Zone mineralisation is expected to lend itself to a low strip ratio and has the potential to support a low-cost open cut operation.

The Southern Zone is a NW-SE zone with a strike extent of around 700m where the mineralisation is sub-vertical (*see Section 10 in Figure 5*). The change in dip angle is due to the proximity of the nose of a large-scale fold in the south eastern limit of the tenement area. The zones of friable itabirite mineralisation are between 10 to 20m thick and vertical to sub-vertical.

The mineral assemblage of the Canavial friable itabirite mineralisation is similar to that of the Jambreiro Project with hematite (probably martite) and magnetite being the dominant iron oxides with quartz and some clay minerals. The main difference to the Jambreiro ore is the higher percentage of goethite and limonite present in the mineralisation. Locally, some shallow mineralised intervals have elevated levels of Al₂O₃ and P due to the clay minerals.

It is expected that these gangue minerals will clean up in the beneficiation process to produce a high iron, low impurity iron product similar to that which is to be produced at Jambreiro.

Commenting on the maiden resource at Canavial, Centaurus' Managing Director, Mr Darren Gordon, said: "This is a great result from a standing start at Canavial, with drilling delivering a solid maiden JORC resource which has a significant component of friable itabirite mineralisation similar to what we have 10km down the road at Jambreiro.

"While we still have to complete metallurgical testwork and other studies to progress this Project, all the indications are that it could develop very quickly as a low-cost bolt-on growth opportunity for the main processing operation at Jambreiro.

"This highlights the significant exploration upside within the Guanhões region and the opportunities to continue to grow our resource inventory. We have a maiden resource for our other key satellite project in this region, Candonga, due within a month or so and there are many other untested exploration targets within our broader regional tenement holding. We plan to test these in the future, once we have a fully-fledged mining operation up and running at Jambreiro."

-ENDS-

Released By:

Nicholas Read
Read Corporate
Mb: (+61) 419 929 046
Tel: (+61-8) 9388 1474

On behalf of:

Mr Darren Gordon
Managing Director
Centaurus Metals Ltd
Tel: (+61-8) 9420 4000



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 mineralisation 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 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'. 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.



Figure 1 – Canavial Project Location Map

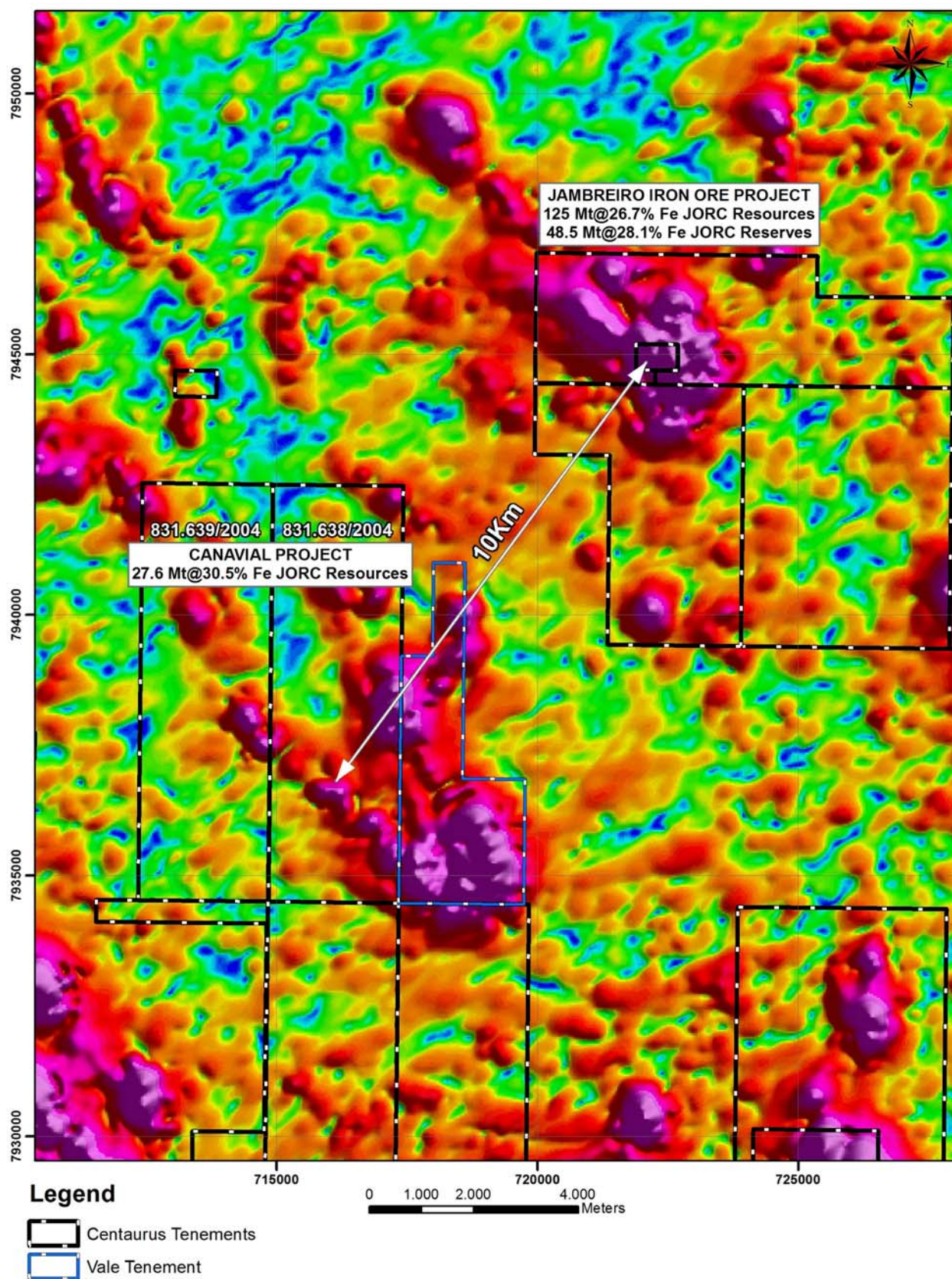


Figure 2 – Canavial Iron Ore Project Map – Analytical Signal Mag Image and Drill Results

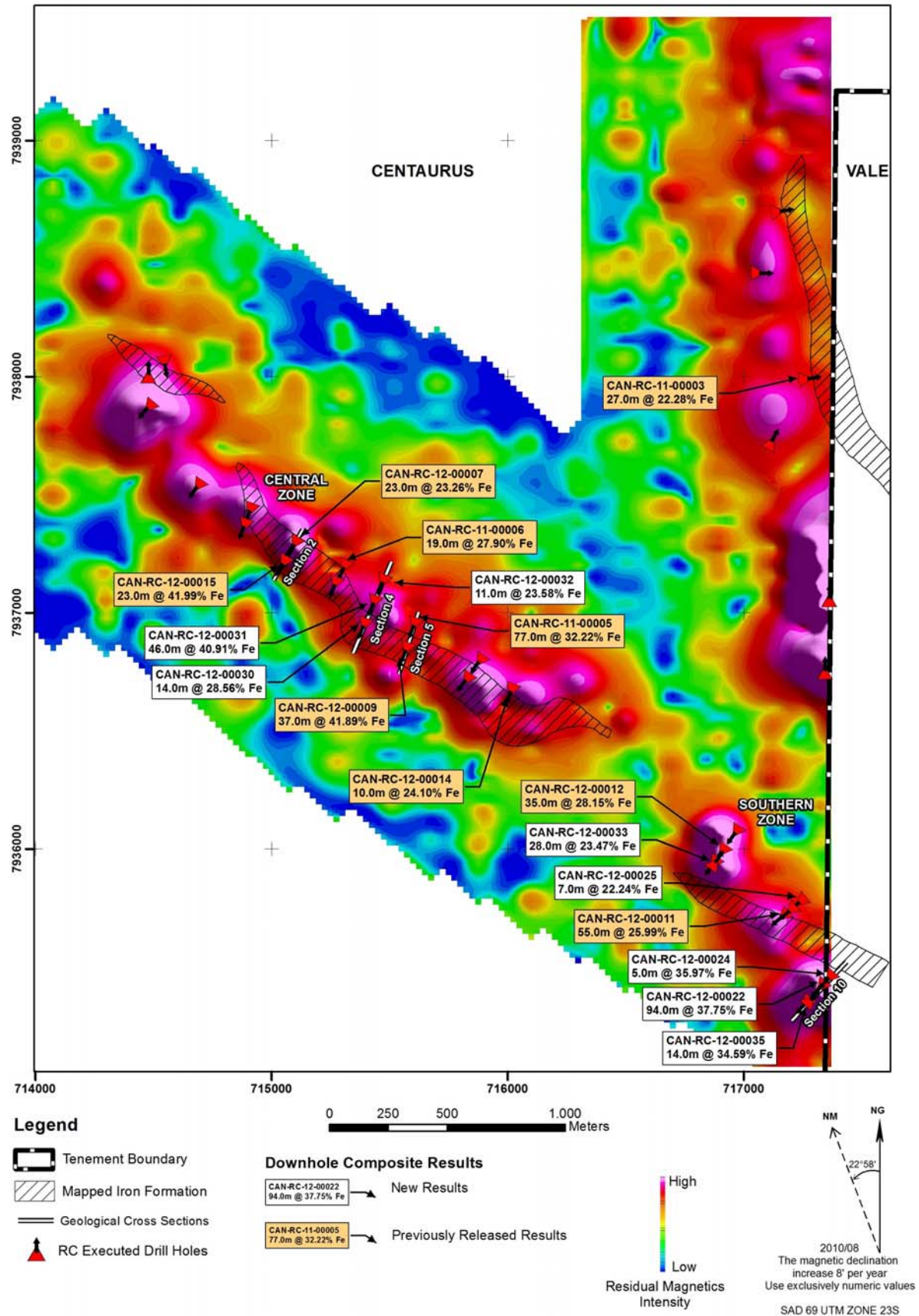


Figure 3 – Canavial Iron Ore Project – Schematic Cross Section 4

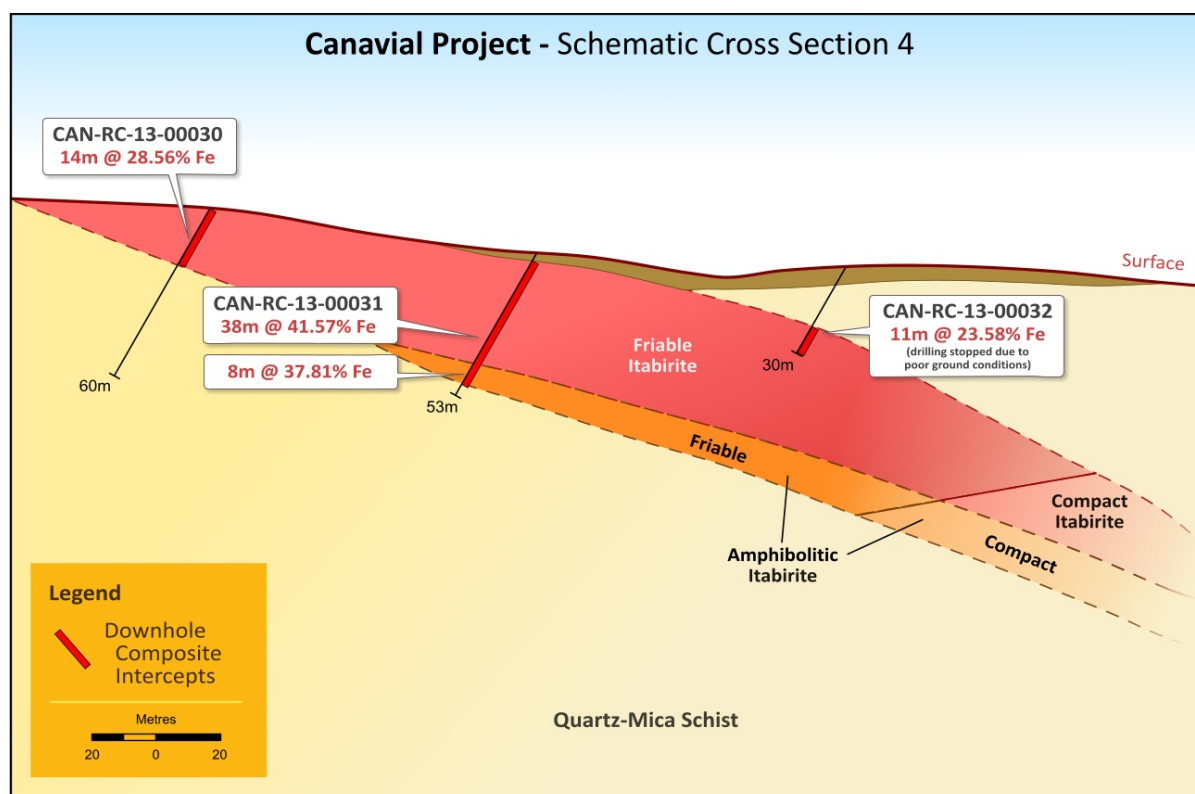


Figure 4 – Canavial Iron Ore Project – Schematic Cross Section 5

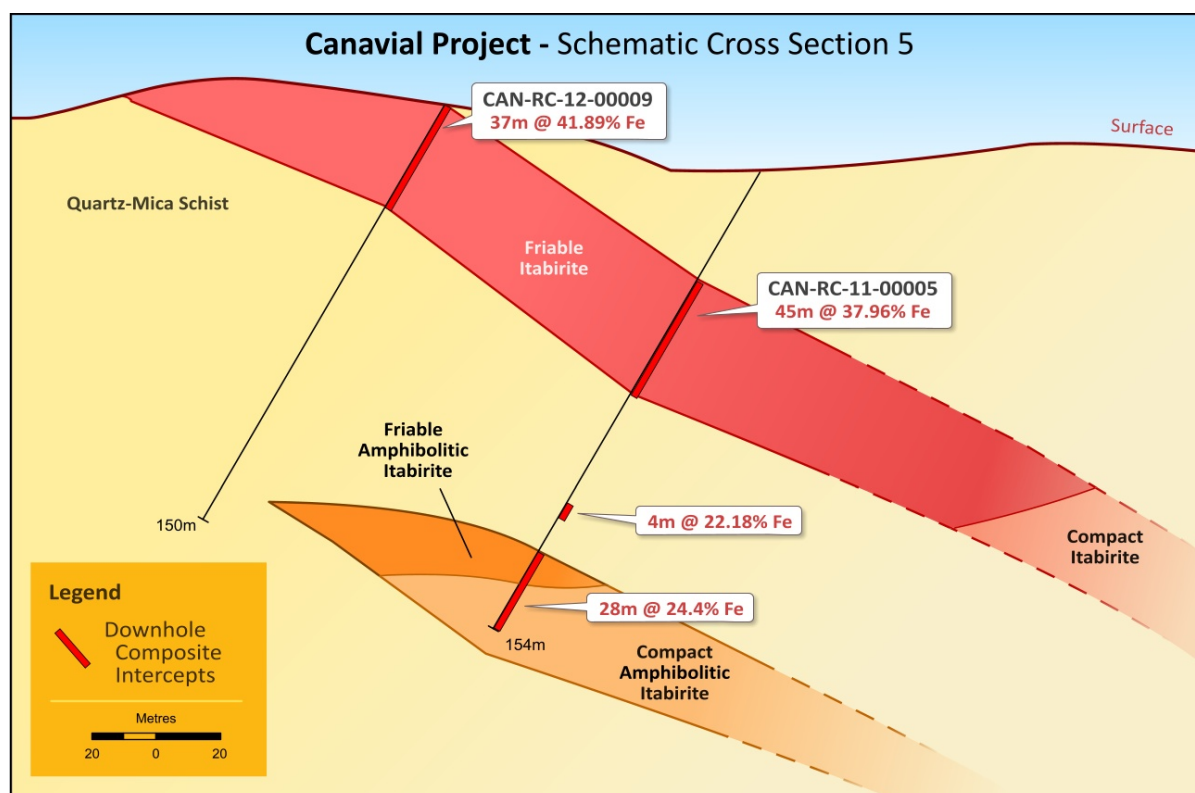
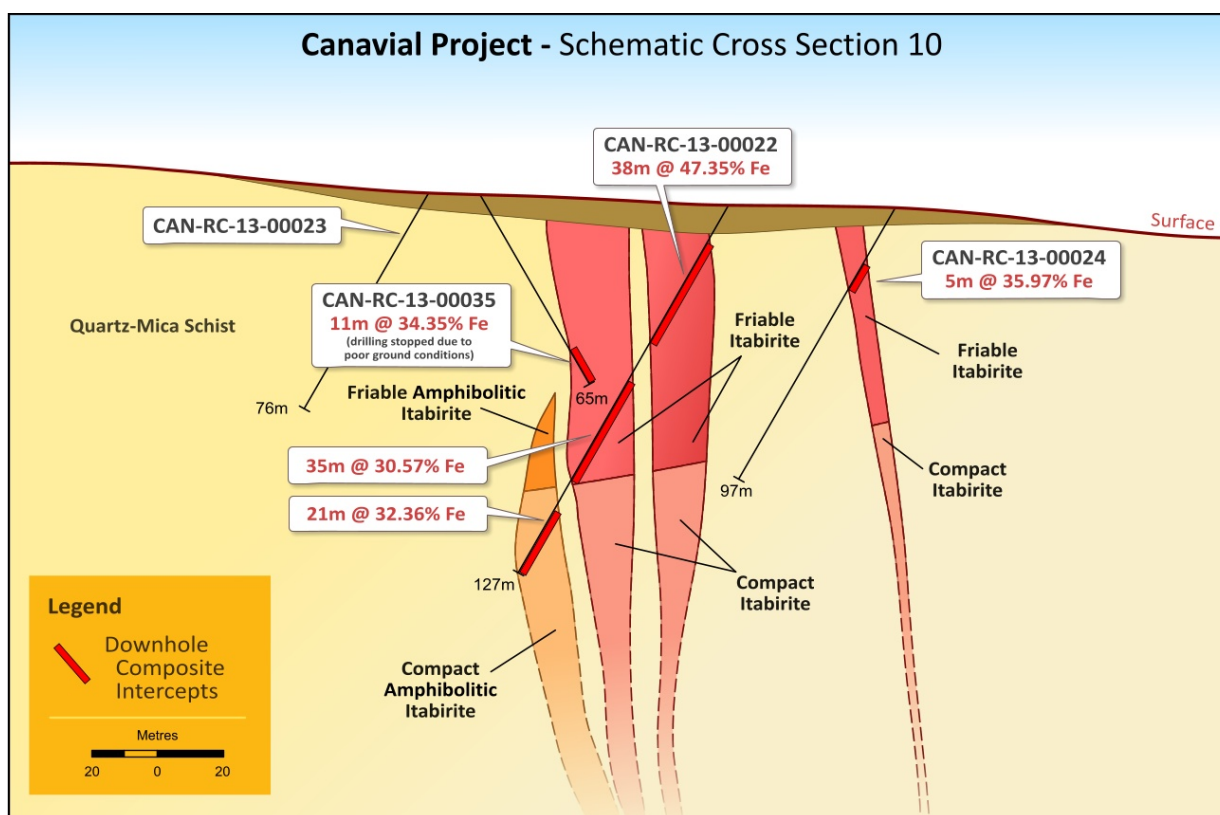


Figure 5 – Canavial Iron Ore Project – Schematic Cross Section 10





Appendix A – Details of the Canavial Resource Estimate – May, 2013

General Information	
Project Name	Canavial Iron Ore Project
Location	Located approximately 170 Km NE of Belo Horizonte and 17Km North of Guanhões in Minas Gerais, Brazil. Located 10km south west of the Jambreiro Iron Ore Project.
Geological Description	The Canavial Project is located within the Guanhões 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 unit is part of an iron formation including ferruginous quartzites and quartzites hosted within a metasedimentary 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.
	Itabirite thicknesses vary from 5m to up to 35m thick within the Central Zone. Itabirite has been intersected at depths up to 120m.
Spatial Limits of Resource: Total Resource Area	714362.5mE to 717387.5mE
	7935317.5mN 7938057.5mN
	670.0mRL to 952.5mRL (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.



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 as all drilling was RC.	
Bulk Density Values (t/m³)		
Material Type	Itabirite	Itabirite Amphibolitic
Compact	3.0	3.0
Friable	2.3	2.3
Semi Friable	2.6	2.6
Colluvium	2.3	

Drilling		
	Holes	Metres
RC	35	3,195
Total	35	3,195
Survey		
Grid System	SAD_69 23S	
Collar Survey	Total survey collars for all drill holes	
DH Survey	No down hole surveys have been completed	
Sampling		
Type and Method	1m samples for RC	
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		
RC	Drying, Crushing, Pulverising, Splitting	
Analytical Method	Metal Oxide determination through X-RAY Florescence (XR21L) Oxide and elemental analyses including Fe, SiO ₂ , Al ₂ O ₃ ,P, Mn, TiO ₂ , CaO, MgO, K ₂ O, Na ₂ O and Cr ₂ O ₃ . FeO by a Volumetric Determination (VL3) and LOI using Loss Determination by Gravity	
Elements	Fe, SiO ₂ , Al ₂ O ₃ ,P, Mn, TiO ₂ , CaO, MgO, K ₂ O, Na ₂ O, Cr ₂ O ₃ and FeO	
QAQC	At total of 190 control samples were used including 106 Duplicate, 84 Standards. Standards inserted every 50 samples, duplicates every 20.	



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 and Waste)		
OB	Model Name		
Fe%	Fe Grade, ID ²		
SiO ₂ %	SiO ₂ % Grade, ID ²		
Al ₂ O ₃ %	Al ₂ O ₃ % Grade, ID ²		
P%	P% Grade, ID ²		
Mn%	Mn% Grade, ID ²		
TiO ₂ %	TiO ₂ % Grade, ID ²		
CaO%	CaO% Grade, ID ²		
MgO%	MgO% Grade, ID ²		
K ₂ O%	K ₂ O% Grade, ID ²		
Cr ₂ O ₃ %	Cr ₂ O ₃ % Grade, ID ²		
LOI%	LOI , ID ²		
FeO%	FeO% Grade, ID ²		
CLASS	Resource Classification Class		
Density	Bulk Density of Itb_C, Itb_F and waste		