

8 July 2015

## CENTAURUS AGREES TO SELL CANDONGA IRON ORE PROJECT TO PRIVATE BRAZILIAN GROUP

*First step in staged process of realising value from existing iron ore assets*

- Candonga DSO Project sold to private Brazilian group, Ecosinter, for R\$4M (A\$1.7M).
- A\$300,000 capital raising completed to allow the Company to fund its ongoing gold exploration activities on the Mombuca Project.
- Significant value retained in the Company's remaining iron ore portfolio, for which processes are continuing to realise value.

Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that it has entered into a binding Heads of Agreement to sell its 100%-owned Candonga Iron Ore Project in south-eastern Brazil to a private Brazilian group, Ecosinter – Indústria de Beneficiamento de Resíduos Ltda (“Ecosinter”), for R\$4 million (A\$1.7 million).

The divestment of the Candonga DSO Project is consistent with Centaurus’ previously announced plans to realise value from its iron ore assets in south-eastern Brazil and to progressively reposition the Company outside of the bulk commodities sector in light of the difficult funding environment for bringing new iron ore capacity on stream where an established cash flow stream does not already exist.

Ecosinter is a private company from the State of Minas Gerais, Brazil with experience in small scale domestic iron ore operations and downstream processing. The group has strong established relationships in the Brazilian steel and pig iron markets.

The sale agreement only relates to the Candonga Iron Ore Project. In respect to the Company’s other iron ore assets, Centaurus continues to retain 100% of the larger development-ready Jambreiro Iron Ore Project, which is licensed for 3Mtpa of wet production, and the highly prospective Conquista DSO Iron Ore Project, located near Candonga. Centaurus is continuing to evaluate and progress a number of other opportunities to realise value from its extensive iron ore tenement portfolio in Brazil.

The Company also plans to continue low-cost exploration activities at the recently secured, multi-commodity Mombuca exploration target in the State of Minas Gerais, Brazil, which Centaurus considers to be highly prospective for its gold potential.

**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT  
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**Sale Agreement**

Centaurus has entered into a binding Heads of Agreement with Ecosinter under which Ecosinter has agreed to acquire 100% of the Candonga Project for R\$4 million, subject to completion of a 15-day due diligence period. A R\$400,000 deposit has been paid by Ecosinter.

The balance of the consideration will be paid in nine equal monthly instalments from the time of signing the formal documentation, which is expected within 30 days.

**Share Placement**

Concurrent with the sale of the Candonga Project, the Company has also completed a A\$300,000 share placement to support its ongoing exploration activities which, in the short term, will be principally focussed on the Mombuca Gold Project.

The Placement will comprise 50 million shares at 0.6 cents with a 1-for-5 attaching unlisted option. The shares and options will be issued in one tranche under the Company's existing placement capacity. The options will have an exercise price of 2.5 cents and an expiry date of 30 September 2016. The Placement has been made to a number of existing shareholders who have demonstrated their support for the strategy to reposition Centaurus. The shares and options the subject of the Placement are planned to be issued this week.

**Management Comment**

Centaurus Managing Director Darren Gordon said the sale of the Candonga Iron Ore Project was a positive outcome for the Company and its shareholders, allowing it to realise value from the asset in a very challenging environment for greenfield iron ore projects.

"Together with the share placement announced today, this transaction provides funding which will allow us to continue focused gold exploration activities at Mombuca while also allowing us to progress discussions regarding the potential sale or joint venture of our other Brazilian iron ore projects," he said.

"From Centaurus' perspective, this transaction is consistent with the approach of realising value from our existing iron ore assets while working on new opportunities both in Brazil and other jurisdictions. We have several other valuable iron ore projects in south-eastern Brazil, and we will continue to work hard to extract value from these assets," Mr Gordon added.

**ENDS**

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