

Developing a Brazilian Iron Ore Business



CentaurusMetals



Darren Gordon, Managing Director

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References to targets of Iron Ore tonnage and grades are only conceptual in nature as, where these targets are mentioned there has been insufficient or unverified exploration data to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

The information in this presentation that relates to Exploration Results and Mineral Resources of Centaurus Metals' Itambé and Passabem Iron Ore Projects is based on information compiled by Mr Ian Cullen and Mr Roger Fitzhardinge who are Members of AusIMM. Messrs Cullen and Fitzhardinge are full time employees of Centaurus Metals Resources Limited and 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 Reserves'. Messrs Cullen and Fitzhardinge consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Brazilian Iron Ore Business



- Centaurus Metals' Brazilian Iron Ore focus is to:

- Produce from a number of Low Capex Brazilian iron ore mines selling to the Brazilian domestic steel mills
- Secure projects that will enable Centaurus Metals to become a significant iron ore exporter

- By 2013 Centaurus Metals expects to:

- Achieve annualised production of at least 3mtpa of iron ore grading +63% Fe (for sale into the domestic steel industry in Brazil)
- Be generating minimum free cash flows of between \$120 and \$150 million per annum from domestic production
- Have acquired or identified a project capable of producing 12-15mtpa of 64-69% Fe product for a minimum project life of 10 years



Company Structure



Capital Structure

Shares on Issue

847m

Options*

110m

Share Price

\$0.10

Market Capitalisation

\$85m

Cash at bank

~\$18 million

Debt

NIL

Enterprise Value

\$67 million

Shareholding

Directors & Management

10%

Top 40

41%

ASX CODE : CTM



* Ex prices from 3.125 cents to 28.5 cents (weighted average ex price 8.23 cents)

Centaurus Metals Board & Key Personnel



DARREN GORDON

Managing Director

Over 15 years resource industry experience with particular emphasis on resource funding and structuring. 9 years experience as CFO of Gindalbie Metals.



DIDIER MURCIA

Chairman

25 years corporate and resource industry experience. Specialises in strategic, corporate and commercial advice. Extensive iron ore experience as Director of Gindalbie Metals.



PETER FREUND

Operations Director

40 years engineering experience with BHP, MIM, Thiess and Gindalbie. Has extensive experience in South American operations (built Alumbraera), beneficiated iron ore and bulk commodities.



GEOFF CLIFFORD

Non-executive Director

Over 30 years experience in senior finance and administration roles. Extensive iron ore experience as Chairman of Atlas Iron and former roles with Aztec Resources & Portman Limited.



KEITH MCKAY

Non-executive Director

Geologist with 40 years technical and corporate experience. Previously Chairman of Gindalbie Metals and MD of Gallery Gold Ltd and Battle Mountain (Aust) Inc.



RICHARD HILL

Non-executive Director

16 years resource industry experience as both a solicitor and a geologist. Founding director of Centaurus Resources. Extensive network into Asian markets.

High calibre team with experience in the financing, development and operation of iron ore projects



GEORGE JONES

Strategic Consultant

More than 35 years experience in the mining, banking and finance industries. Previously executive Chairman of Portman Mining Ltd and currently Chairman of two iron ore businesses, Gindalbie Metals and Sundance Resources.

Brazil



- Latin America's largest economy
- Rapidly growing population (currently ~200 million)
- Predicted growth of +7% in 2011
- US\$830b committed to infrastructure spend
- Hosting FIFA World Cup in 2014 and the Olympic Games in 2016
- Brazil is a Top 10 global steel producer
- Brazil is the world's largest Merchant Pig Iron producer
- Brazil exports > 300Mt per annum of iron ore



Centaurus Metals is one of the few ASX listed companies providing direct exposure to the rapid development of Brazil

Brazilian Iron Ore Market



- ❑ Unlike Australia, a large market for the consumption of iron ore is located alongside iron ore projects
- ❑ Major steel companies, with steel mills **within a 150km radius of Centaurus Metals' projects** have significant domestic production with major capacity upgrades planned to cope with increasing demand





| Company | Brazilian Steel Production* | Expansion Commitments (USD) |
|--|-----------------------------|-----------------------------|
| Gerdau | 12.69mt | \$5b to 2014 |
| Arcelor Mittal | 11.00mt | \$5b to 2014 |
| Usiminas | 8.02mt | \$14.1b to 2014 |
| Companhia Siderúrgica Nacional ("CSN") | 5.00mt | Not available |

* Based on 2008 production statistics

Centaurus Metals' Projects



Project Map

-  Large City
-  Town
-  Highway
-  Road
-  Airport
-  Centaurus Project (Fe)
-  Centaurus Project (Mn)
-  Major Iron Ore Mine
-  Smelter



Domestic Iron Ore Business

“Supplying Iron Ore to Brazil’s Steel Mills”



Domestic Iron Ore Business



- ❑ Targeting production from a number of low OpEx, low CapEx mines, in close proximity to established infrastructure
- ❑ Centaurus Metals is working towards:
 - ❑ production at a rate of 3mtpa by the end of 2013, to be sold into Brazil's domestic steel mills for anticipated operating cashflows of between \$120 and \$150 million per annum
 - ❑ become the supplier of choice to domestic steel mills (other than Vale)
 - ❑ differentiate itself from the local competition through quality and consistency of product supply
- ❑ Current domestic project portfolio includes:
 - ❑ Jambreiro Project
 - ❑ Passabem Project
 - ❑ Itambé Project
 - ❑ Guanhões Regional Project



Itabirite Ore....



A major source of iron ore production in Brazil...

- ❑ Metamorphosed iron formation composed of iron oxides with abundant quartz
- ❑ Iron Quadrangle itabirites typically comprise hematite
- ❑ Lower ROM grade than other sources of hematite (averaging 30-50% Fe)
- ❑ Extremely well suited to low cost beneficiation
- ❑ Can be upgraded to 63-68% Fe via simple and inexpensive gravity or magnetic separation process
- ❑ **Final product a high quality hematite sinter (predominantly) product with low contaminants**



Itabirite Ore



In Situ Ore

| <i>Fe%</i> | <i>SiO₂%</i> | <i>P%</i> | <i>Al₂O₃%</i> | <i>Mn%</i> |
|------------|-------------------------|-------------|-------------------------------------|-------------|
| 37 | 43.52 | 0.03 | 2.21 | 0.02 |

Upgradeable to:

| <i>Fe%</i> | <i>SiO₂%</i> | <i>P%</i> | <i>Al₂O₃%</i> | <i>Mn%</i> |
|------------|-------------------------|-------------|-------------------------------------|-------------|
| 67 | 2.38 | 0.01 | 0.50 | 0.02 |

Domestic Production - Jambreiro



Project Map

- Large City
- Town
- Highway
- Road
- Airport
- Centaurus Project (Fe)
- Centaurus Project (Mn)
- Major Iron Ore Mine
- Smelter



Jambreiro Iron Ore Project (100%)



- ❑ 3,500 metre resource definition drill program completed
- ❑ Results show excellent depth to Jambreiro:
 - 98.2m @ 29.8% Fe, 3.9% Al₂O₃ and 0.05% P from 28m (JBR-DD-002)
 - 93.8m @ 31.5% Fe, 5.5% Al₂O₃ and 0.04% P from 9m (JBR-DD-003)
 - 70.0m @ 31.8% Fe, 3.3% Al₂O₃ and 0.03% P from 41m (JBR-DD-001)
 - 62.5m @ 32.2% Fe, 2.0% Al₂O₃ and 0.03% P from 0.5m (JBR-DD-011)
- ❑ Project dynamics will facilitate rapid resource definition and potential project development:
 - ❑ Only one land owner
 - ❑ Land already disturbed – Eucalyptus plantation.
 - ❑ Land owner operating triple road trains from site to Steel Valley.



Jambreiro Resource



- Initial Inferred resource of 77.1mt @ 29.5% Fe*

| Mt | Fe % | SiO ₂ % | Al ₂ O ₃ % | P% | LOI% |
|------|------|--------------------|----------------------------------|------|------|
| 77.1 | 29.5 | 51.3 | 3.1 | 0.04 | 1.02 |

- Resource remains open to the South
- Early stage gravity beneficiation tests shows friable mineralisation cost effectively upgrades to a high grade product:

| | Fe % | SiO ₂ % | Al ₂ O ₃ % | P% | Mass Recovery |
|----------------------------|-------------|--------------------|----------------------------------|-------------|---------------|
| Head Grade | 32.6 | 51.1 | 1.67 | 0.02 | |
| Beneficiated Sample | 63.0 | 8.2 | 0.68 | 0.01 | 48% |



- 6 month work Program:
 - Complete beneficiation test work
 - 3,500 metre drill program to lift resource to Indicated status
 - Pre-feasibility Study

•Competent Person Statement - Jambreiro Iron Ore Project





The information in this report that relates to Exploration Results and Mineral Resources for the Jambreiro Iron Ore Project 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.

Domestic Production - Passabem



Project Map

-  Large City
-  Town
-  Highway
-  Road
-  Airport
-  Centaurus Project (Fe)
-  Centaurus Project (Mn)
-  Major Iron Ore Mine
-  Smelter



Passabem Iron Ore Project (100%)

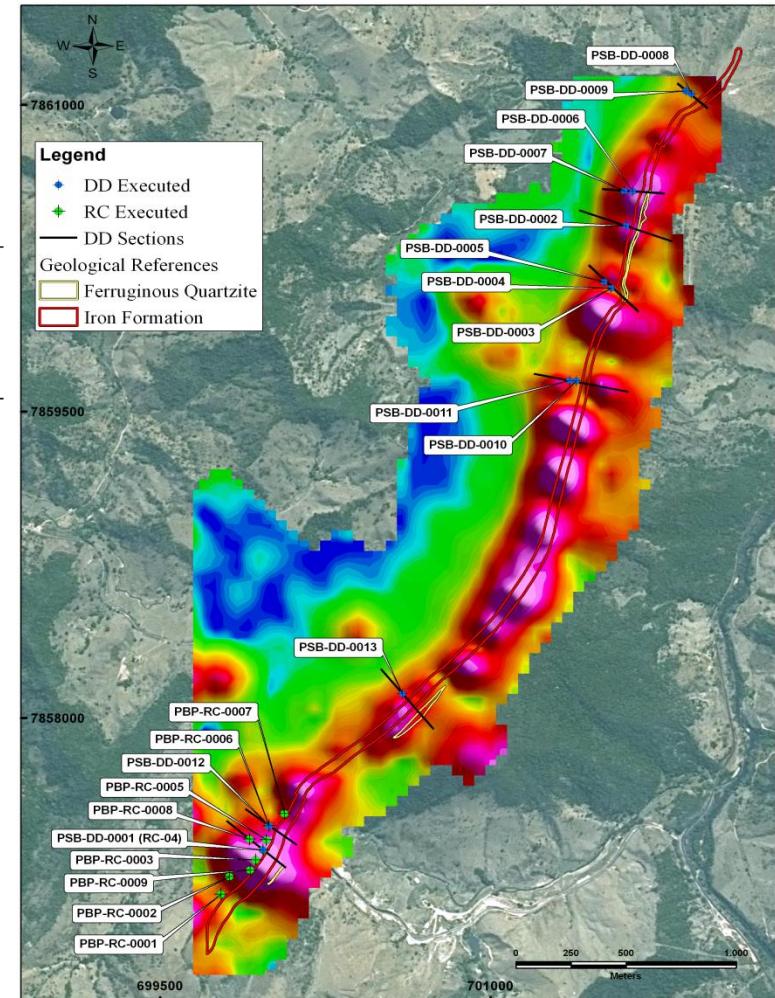


- Projected to be a 1mtpa producer of high grade iron ore.
- 39 Mt JORC Resource.

| | Tonnes (Mt) | Fe% | SiO ₂ % | Al ₂ O ₃ % | P% | Mn% | LOI% |
|--------------|-------------|-------------|--------------------|----------------------------------|-------------|-------------|-------------|
| Indicated | 2.8 | 33.0 | 48.8 | 1.90 | 0.03 | 0.10 | 0.64 |
| Inferred | 36.2 | 30.9 | 54.0 | 0.74 | 0.07 | 0.06 | 0.09 |
| TOTAL | 39.0 | 31.0 | 53.6 | 0.82 | 0.07 | 0.06 | 0.13 |

Note: Estimate calculated using Inverse Distance Squared technique with a cut off of 27% Fe applied.

- Initial test work indicates low cost beneficiation to high-grade **(+66%Fe)** product.
- Ore body extends over a strike length of 5 kilometres.
- Future work programs :
 - Further beneficiation test work.
 - Commencement of pre-feasibility activities and associated studies;
 - Infill Drilling.



Domestic Production - Itambé



Project Map

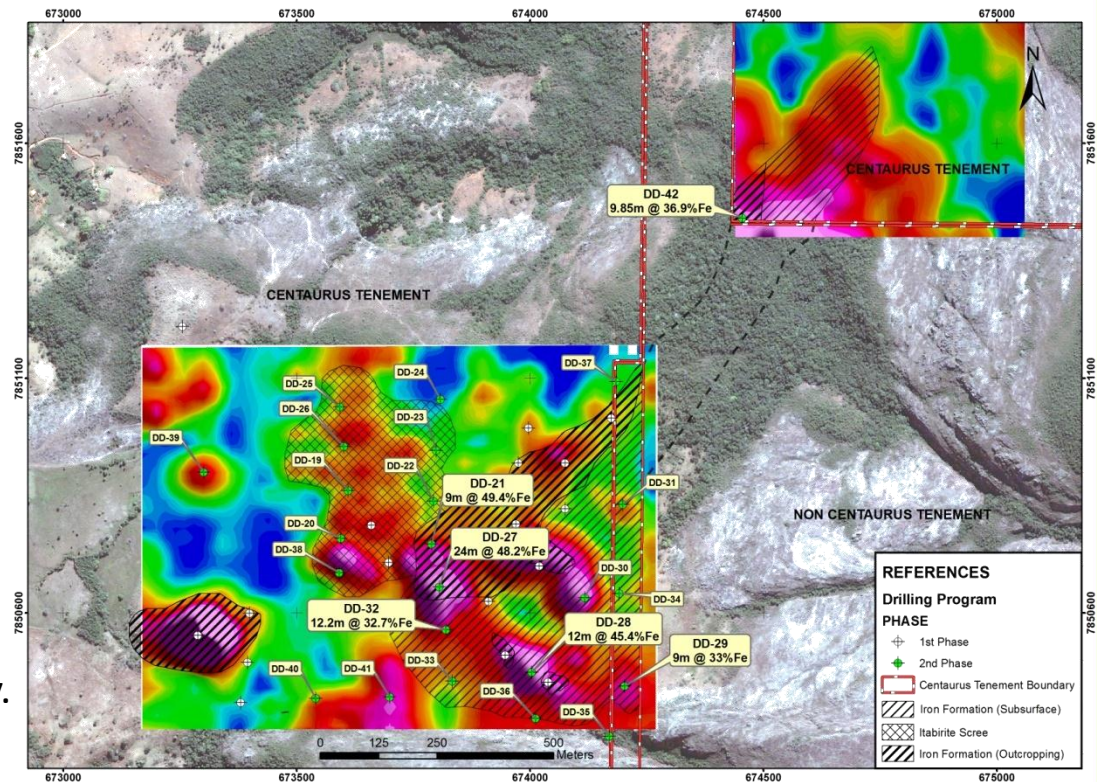
-  Large City
-  Town
-  Highway
-  Road
-  Airport
-  Centaurus Project (Fe)
-  Centaurus Project (Mn)
-  Major Iron Ore Mine
-  Smelter



Itambé Iron Ore Project (100%)



- Projected to be a minimum 500ktpa producer of high grade iron ore.
- Initial 15.5Mt JORC Inferred Resource beneficiates cost effectively to high-grade product.
- Recent drill samples collected for further beneficiation work.
- Initial studies from 2009 indicate total operating cost of US\$13/t with capex expected to be US\$15m.
- At 500ktpa a minimum operating cashflow of US\$20-25 million per annum is anticipated.
- Recent infill drilling completed to lift Resource category to Indicated.
- Results included:
 - 24.0m @ 48.2% Fe, 3.22% Al_2O_3 and 0.06% P (IBP-DD-0027)
 - 12.2m @ 32.7% Fe, 0.40% Al_2O_3 and 0.02% P (IBP-DD-0032)
 - 12.0m @ 45.4% Fe, 3.34% Al_2O_3 and 0.05% P (IBP-DD-0028)
- New resource estimation underway.



Resource Summary – Domestic Projects



- Centaurus has assembled a strong Project and resource base in Brazil of Itabirite mineralisation that upgrades to a high grade hematite product.

| Project | Million Tonnes | Fe % | SiO ₂ % | Al ₂ O ₃ % | P | LOI |
|------------------------|----------------|-------------|--------------------|----------------------------------|-------------|-------------|
| Jambreiro [*] | 77.1 | 29.5 | 51.3 | 3.10 | 0.04 | 1.02 |
| Passabém ^{**} | 39.0 | 31.0 | 53.6 | 0.82 | 0.07 | 0.13 |
| Itambé ^{***} | 15.5 | 37.2 | 39.9 | 3.70 | 0.06 | 2.04 |
| TOTAL | 131.6 | 30.9 | 50.6 | 2.49 | 0.05 | 0.88 |

25% Fe cut-off grade applied ** 27% Fe cut-off grade applied * No Fe cut-off grade applied*

- At a Mass Recovery of 40%, using a low cost gravity or magnetic separation process, In Situ Resources generate over 50Mt of high grade hematite product (+63% Fe).
- Detailed beneficiation work underway on all Domestic projects.
- Resource base underpins the Company's Domestic Iron Business
- Development Capex to be low by Australian standards as little to no infrastructure costs.

Iron Ore Export Business

“Supplying Iron Ore to the World Market”



Export Projects



Project Map



Major Ports

Proposed Rail

City



Brazil

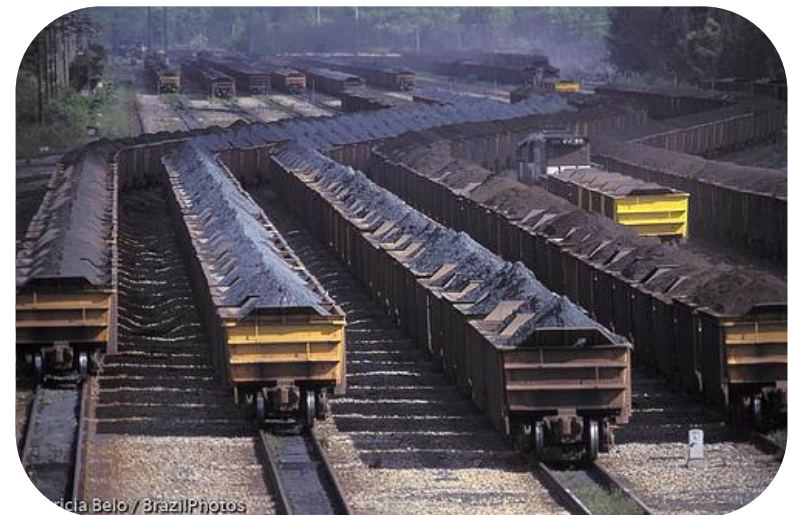
Project Locations



Iron Ore Export Business



- Brazil is the largest exporter of high grade iron ore in the world
- Centaurus Metals aims to acquire or identify a project capable of producing 12-15mtpa of 64-69% Fe product for a minimum project life of 10 years, to export to world markets
- Investigating opportunities to acquire projects utilising extensive networks in Brazil
- Commencing exploration on recently granted 100% Centaurus Metals tenure in the state of Minas Gerais:
 - Rio Pardo Project
 - Itamarandiba Project
 - Guanhões Project
 - Serra do Bicho Project



Summary



- Highly experienced, well funded team with extensive global experience in the financing, development and operation of iron ore projects.
- Strong domestic project resource base.
- Building a business to supply domestic steel mills, and in time also world markets.
- At least 3mpta to be sold domestically by the end of 2013.
- Continuously assessing other opportunities to grow the Brazilian iron ore business.
- Centaurus Metals is one of the few ASX listed companies providing direct exposure to the rapid development of Brazil.





Developing a Brazilian Iron Ore Business

Contacts:

Darren Gordon

Managing Director

☎ (+618) 9420 4001

✉ darren.gordon@centaurus.com.au

Mark Papendieck

General Manager - Commercial

☎ (+618) 9420 4003

✉ mark@centaurus.com.au