

# Developing a Brazilian Iron Ore Business



**Centaurus**Metals

to be renamed from Glengarry Resources Limited



**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.

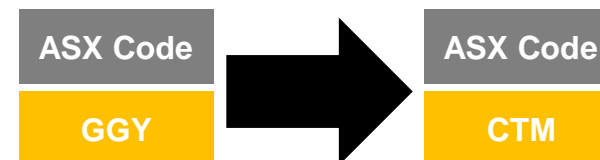
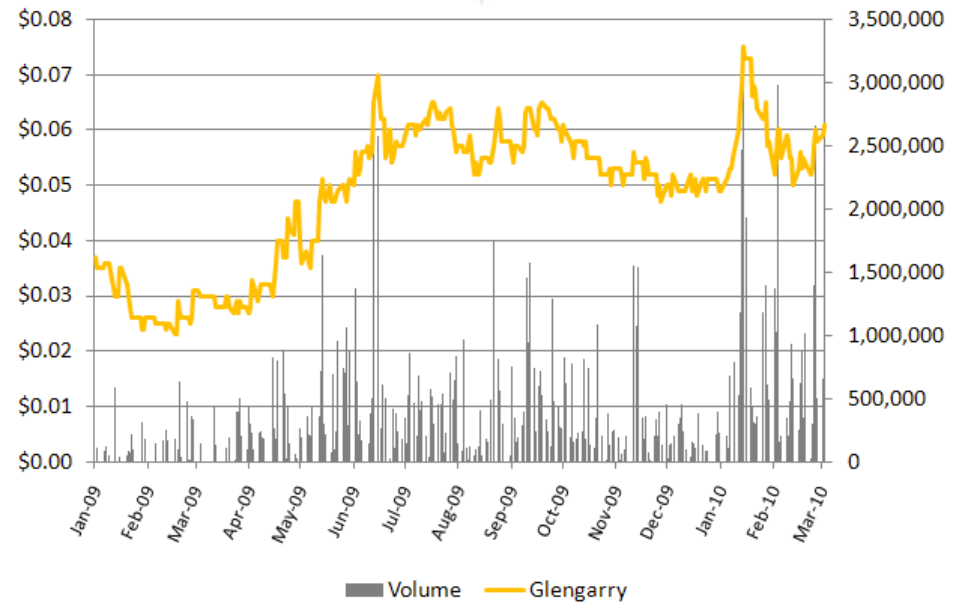
The information in this presentation that relates to Exploration Results and Mineral Resources of Glengarry's' Itambé and Passabem Iron Ore Projects is based on information compiled by Mr Ian Cullen, who is a Member of AusIMM. Mr Ian Cullen is a full time employee of Glengarry Resources Limited. Mr Ian Cullen 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 Reserves'. Mr Ian Cullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears".

# Company Structure



| Capital Structure          |               |
|----------------------------|---------------|
| Shares on Issue*           | 604.4m        |
| Options**                  | 101m          |
| Share Price                | \$0.061       |
| Market Capitalisation      | \$37m         |
| Cash at bank (28 Feb 2010) | \$7.7 million |
| Debt                       | NIL           |
| Enterprise Value           | \$29.5m       |

| Shareholding           |     |
|------------------------|-----|
| Directors & Management | 15% |
| Top 40                 | 38% |



\* Represents the number of shares to be on issue following completion of the Compulsory Acquisition Process

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

# Centaurus Metals Board & Key Management



**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 Alumbrera) as well as beneficiated iron ore



**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

**GEOFF JAMES**  
**MARK PAPENDIECK**  
**KLAUS PETERSEN**  
**IAN CULLEN**

*CFO & Company Secretary*  
*General Manager – Commercial*  
*Country Manager - Brazil*  
*General Manager – Exploration & Evaluation*

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

# History of Centaurus Metals



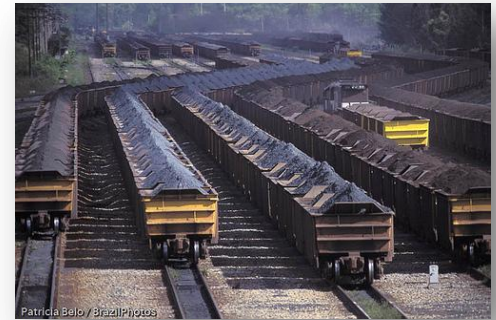
- ❑ Centaurus (ASX: CUR) listed on the ASX in 2007
- ❑ 2007 - 2009 CUR continued to build its Iron Ore business in Brazil:
  - ❑ Completing the acquisition of San Greal Resources Pty Ltd, a company focused on mineral exploration and development in Brazil
  - ❑ Assembling a local Portuguese speaking team, headed by Australian expats
  - ❑ Putting in place key personal with extensive experience in South American operations
- ❑ In February 2010, Glengarry completed a successful merger with CUR
- ❑ In March 2010 Glengarry's shareholders will vote to approve a name change to Centaurus Metals Limited



# Brazilian Iron Ore Business



- Centaurus Metals' Brazilian Iron Ore focus is to:
  - Produce from a number of 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)
  - Have acquired or identified a project capable of producing 12-15mtpa of 64-69% Fe product for a minimum project life of 10 years



# Brazil



- ❑ Latin America's largest economy
- ❑ Rapidly growing population (currently 200 million)
- ❑ IMF predicts growth of 4.7% in 2010
- ❑ US\$221b 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 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



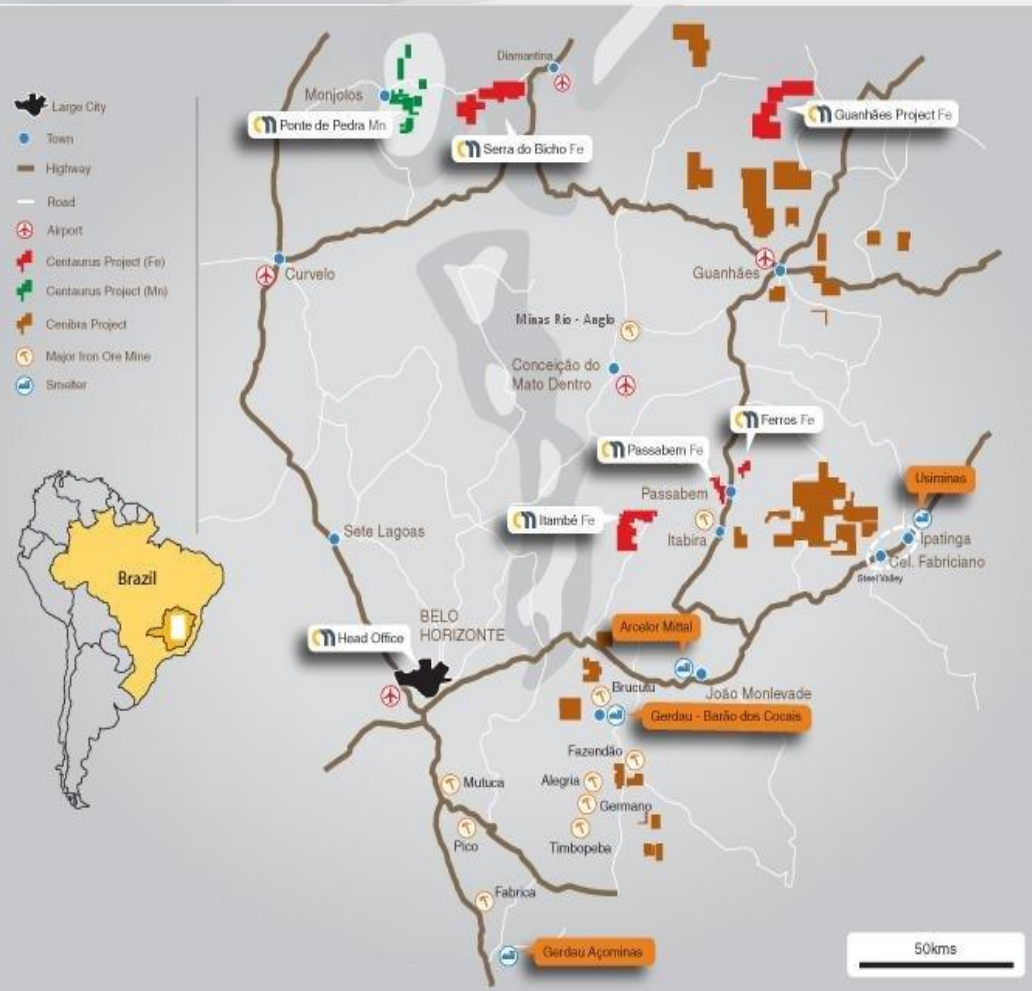
- ❑ Unlike Australia, a large market for the consumption of iron ore is located alongside iron ore projects
- ❑ Major steel companies, with steel mills **within a 150km radius of Centaurus Metals' projects** have significant domestic production with major capacity upgrades planned to cope with increasing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

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

\* Based on 2008 production statistics



# Project Locations



- The state of Minas produces over 170mtpa of iron ore annually (60% of Brazil's production)
- Minas produces 37% of Brazil's steel and is the largest producer of pig iron in Brazil
- Vale's Itabira complex has been mined since 1942, producing ~60mtpa through the last decade

# 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 aims to:
  - ❑ commence production in 2011
  - ❑ produce  $\geq 3$ mtpa by the end of 2013, to be sold into Brazil's domestic steel mills for anticipated operating cashflow of \$60 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 project portfolio includes:
  - ❑ Itambé Project
  - ❑ Passabem Project
  - ❑ Cenibra Project



# Itambé Project (100%)



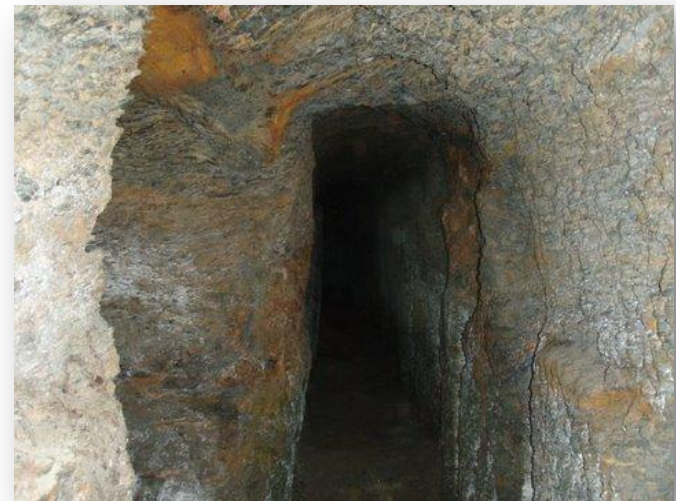
- Project to be a 1mtpa producer of high grade iron ore

- 15.5Mt** JORC Inferred Resource

| <i>Fe %</i> | <i>SiO<sub>2</sub>%</i> | <i>P%</i> | <i>Al<sub>2</sub>O<sub>3</sub>%</i> | <i>Mn%</i> |
|-------------|-------------------------|-----------|-------------------------------------|------------|
| 37.2        | 43.52                   | 0.03      | 2.21                                | 0.02       |

- Low cost beneficiation to high-grade product
- Itambé will produce high grade, low contaminant products (>65% Fe, <2.5% SiO<sub>2</sub> and <0.02% P)
- Active work programme in 2010
- Mining Lease Application lodged with DNPM

- Studies indicated total operating cost of A\$14/t versus a sale price of ~\$34/t, for total capex of only A\$17m
- At 1mtpa an operating cashflow of A\$20 million per annum is anticipated



# Passabem Project (100%)



- Projected to be a 1mtpa producer of high grade iron ore

## 2.6Mt JORC Inferred Resource

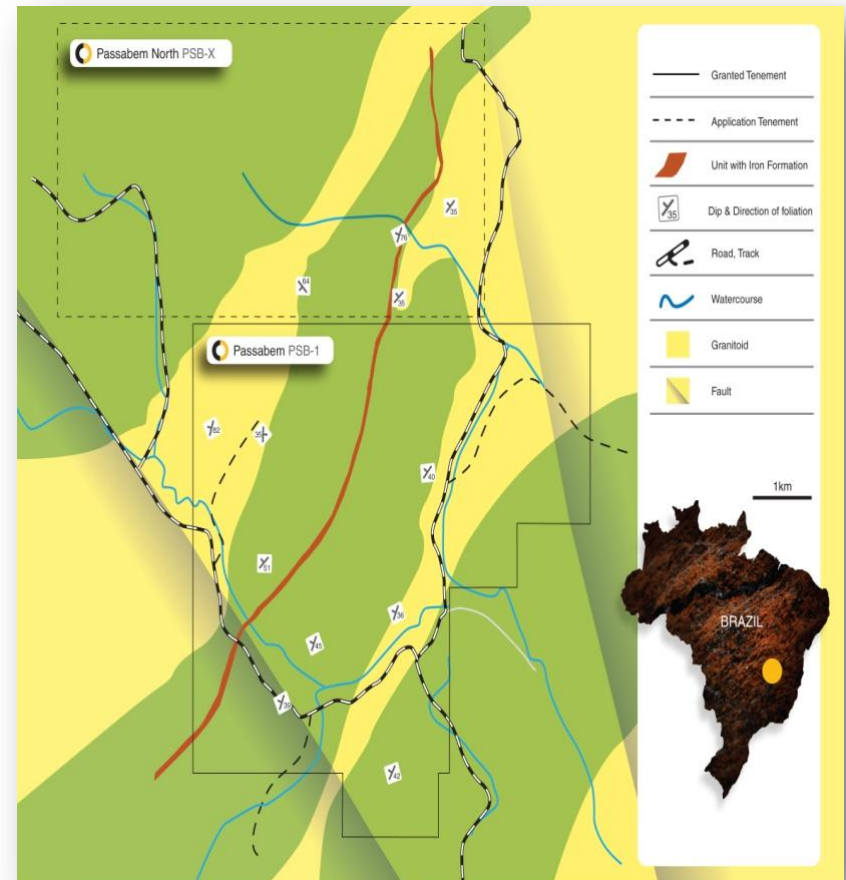
| Fe % | SiO <sub>2</sub> % | P%    | Al <sub>2</sub> O <sub>3</sub> % | Mn%  |
|------|--------------------|-------|----------------------------------|------|
| 31.2 | 48.9               | 0.035 | 2.90                             | 0.11 |

- Only 500m (10%) of strike drilled to date. Open at depth and remaining 4.75km along strike

- Targeting a total resource of 15-25Mt @ 30-32% Fe\*

- Initial test work indicates low cost beneficiation to high-grade product

## Active work programme in 2010



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# Cenibra Project (earning 100%)



- ❑ Aim is to define targets for domestic production of +1mtpa
- ❑ A portfolio comprising 63 iron ore tenements, covering an area of 1,014 square kilometres in the State of Minas Gerais
- ❑ Currently conducting exploration across the entire package
- ❑ One prospect, known as the Jambreiro Prospect, has already been identified as a priority target for immediate exploration and evaluation.



# Iron Ore Export Business

## “Supplying Iron Ore to the World Market”



# 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
- Building a business to supply domestic steel mills, and in time also world markets
- Iron ore production by 2011
- 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

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