

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

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HIGH-GRADE HEMATITE PRODUCT PRODUCED USING POTENTIAL EARLY STAGE PROCESSING OPTION FOR JAMBREIRO ORE

PRODUCT GRADE OF 65.8% Fe WITH 50% WEIGHT RECOVERY ACHIEVED USING DRY MAGNETIC SEPARATION

International iron ore company Centaurus Metals Ltd (ASX Code: CTM) is pleased to report that recent dry magnetic separation beneficiation test work on iron from the 100%-owned **Jambreiro Iron Ore Project** in south-east Brazil shows that a **high-grade hematite product grading 65.8% Fe** with low impurities can be produced at a strong mass recovery of 50% and metal recovery above 90%.

It is the first time that the Company has undertaken dry magnetic separation test work on any of its iron ore projects in Brazil. The positive results, from test work undertaken on friable ore from Jambreiro, provides encouragement that an initial dry processing route can be established as part of the ultimate process flow sheet for a significant portion of the Jambreiro orebody.

This type of friable ore currently represents approximately 25% of the resource base at Jambreiro.

Environmental regulations in Brazil allow for a shorter approvals process for dry beneficiation circuits, albeit at lower production rates than currently contemplated, and this may offer the Company an opportunity to commence production early, on a smaller scale, while completing construction of the full-scale wet processing circuit.

This would enable the Company to generate earlier cash flows while deferring some of the capital expenditure associated with wet processing such as the construction of a tailings dam.

The dry magnetic separation test work was undertaken by ALS Ammtec Laboratories in Perth under the supervision of ProMet Engineers. The test work undertaken included both Dry Low (DLIMS) and Dry Medium Intensity Magnetic Separation (DMIMS). The DLIMS work was undertaken at 1,200 gauss to remove the strong magnetic portion with the "tails" from the DLIMS process being processed via DMIMS at 6,500 gauss.

The head grade of the friable surface sample from Jambreiro was 35.5% Fe. A summary of the test work results is set out in Table 1 below:

Table 1 – Summary of the Dry Magnetic Beneficiation Test Work on Jambreiro Friable Sample

	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Mass Recovery %
Low Grade Sample – Core					
Head Grade	35.5	47.2	0.72	0.018	
Beneficiated Product – at -4mm Feed	65.8	4.1	0.93	<0.018	50.0
Beneficiated Product – at -1mm Feed	65.4	4.3	0.91	<0.018	54.3

Following the positive test work results, the Company will investigate the cost of undertaking dry magnetic separation as an option as part of planned Feasibility Study work for the Jambreiro Project later this year.

Centaurus is continuing to undertake wet beneficiation test work on friable ore from Jambreiro with Fundação Gorceix in Ouro Preto.

It is expected that by adopting a flow sheet similar to the dry test work – that is wet low intensity magnetic separation followed by wet medium-to-high intensity magnetic separation – similar results should be achieved from both a grade and recovery perspective, which bodes well for the overall economics of the Jambreiro Project.

The Jambreiro Iron Ore Project currently has a JORC compliant Inferred Mineral Resource of **77Mt grading 29.5% Fe**, with recently completed in-fill drilling expected to upgrade a substantial portion of this resource to Indicated status. Drilling is continuing on new target areas within the overall Jambreiro Project area.

Commenting on the results, Centaurus' Managing Director, Mr Darren Gordon, said: *"This is a great result which enhances the Jambreiro Project by providing us with greater optionality for the future processing of friable surface ore to produce a high-grade product.*

"The results could provide a number of significant operational benefits in that we would potentially be able to start generating cash flow before having to incur all of the capital expenditure requirements associated with wet processing, such as the construction of a tails dam.

"The final product achieved under these dry magnetic tests is once again high grade and has low impurities and should be highly sought after by the growing steel industry in Brazil," Mr Gordon continued. *"This demonstrates our commitment to continue to move our projects rapidly towards production and to explore opportunities to bring forward production wherever possible. These encouraging results could also have positive implications for other projects within our portfolio."*

-ENDS-

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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 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.