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CENTAURUS LODGES KEY ENVIRONMENTAL APPROVAL DOCUMENTATION FOR JAMBREIRO IRON ORE PROJECT

TARGETING APPROVAL DURING OCTOBER 2012 TO ENABLE CONSTRUCTION TO COMMENCE IN Q2 2013

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that it has taken another step towards development of its flagship Jambreiro Iron Ore Project in south-east Brazil after lodging the key environmental approval documentation, the Environmental Impact Assessment (“EIA”), with the State environmental authority SUPRAM in the State of Minas Gerais.

The Company is targeting approval of the EIA and grant of a Preliminary Licence for the Project during October 2012, in line with its development timetable of producing first iron ore at Jambreiro by the end of 2013.

The application has been made for an operation that can deliver up to 3Mtpa of high grade iron ore, although the Project is initially planned to commence production at a rate of 2Mtpa.

Under the Brazilian environmental regulations, this key approval document is locally known as an “EIA/RIMA”. On approval of this environmental application, the Company will be granted a Preliminary Licence or “LP”. Once the LP is granted, the Company will apply for an Installation Licence (“LI”) which will allow construction of the plant and equipment to commence on site.

From the grant of the LP, the Company would expect to have the Installation Licence in place by April 2013 and be in a position to commence site erection of the plant. Once construction is completed in accordance with the LI, the Company anticipates a fairly fast grant of the final licence-to-operate instrument, being an Operating Licence (“LO”).

The level of this particular process of environmental approval is required for all iron ore projects in Brazil that will process more than 1.5Mtpa of ore using wet beneficiation processes.

Centaurus has collected a large amount of data over the last 12 months, including data from two wet seasons, in order to complete an extensive EIA. During the course of this data collection, the Company has not identified any issues which would be an impediment to the grant of the Preliminary Licence or to development of the Project.

Importantly, significant effort has been made in working with and informing the local community and key project stakeholders on the scope of the Jambreiro Project and the potential benefits it will bring to the communities in the region. SUPRAM places a heavy emphasis on the social and economic benefits of any new Project during the environmental approval process.

The Jambreiro Project is located in an area of eucalypt plantation owned by one of Brazil’s largest pulp companies, Cenibra. As a result, Centaurus predominantly deals with this one land-owner in an area that has already been industrial-use land and disturbed from an environmental perspective. Cenibra has recently harvested the eucalypt trees from a large portion of the Jambreiro Project site, providing an excellent platform to commence development (see Figure 1 below).



Figure 1 – Recently Harvested Eucalypt Plantation at Jambreiro Iron Ore Project

Centaurus’ Managing Director, Mr Darren Gordon, said: *“The lodgement of the EIA/RIMA marked another key step along the development pathway, with the Company planning to work closely with SUPRAM over the coming months to achieve the grant of the Preliminary Licence.”*

“We have spent a significant amount of time working with communities in the region and with key stakeholders to inform them on the benefits of the Jambreiro Project, which should assist us in achieving our key environmental approvals in a timely fashion.”

“The Jambreiro Project will create significant value for the local community and will deliver new job opportunities for the region that were not previously available. With an average workforce of 800 people required during the construction stage and 300 people required for the operational phase, Centaurus is set to become a significant employer in the region.”

ENDS

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