

2 February 2015

## CANDONGA DSO PROJECT: APPROVAL FOR TRIAL MINING LICENCE APPLICATION ANOTHER KEY STEP TOWARDS DEVELOPMENT

Centaurus Metals (ASX Code: **CTM**) is pleased to advise that it has achieved another key permitting milestone for its 100%-owned **Candonga DSO Project** in south-east Brazil, with approval received from the Brazilian Department of Mines (DNPM) for the Trial Mining Licence Application.

The approval, which is only subject to receipt of the Operating Licence (LO) by the State environmental agency once project construction has been completed, represents the penultimate DNPM approval required before the issue of the formal Trial Mining Licence (*Guia de Utilização – “GU”*) and the corresponding start of commercial sales of the Project's high grade, low impurity product.

Centaurus plans to commence production at Candonga in Q2 2015 at the rate of 300,000tpa<sup>1</sup> and the delivery of the LO and final Trial Mining approval in July 2015 will facilitate the start of product sales.

The Company lodged a combined Preliminary Licence/Installation Licence application (LP/LI) for the Candonga Project in May 2014, with approval expected in April 2015 under the Company's development timetable. Centaurus does not expect any issues with the approval process as the project is located on pastoral land that does not require removal of native vegetation.

Following receipt of the LP/LI approval the Company can commence earthworks and installation of the truck-mounted crushing and screening plant proposed for installation at the Project. The LO will be granted once the State environmental agency (Supram) is satisfied installation of the plant has been completed within the Installation Licence guidelines.

The Company also lodged the full Mining Lease Application for the broader Candonga Project on 6 January 2015. Based on the Company's experience with its fully licensed Jambreiro Iron Ore Project, it will take some 6-9 months before the full Mining Lease is formally approved through the gazetting process.

The Candonga Project is set to produce high-grade, low impurity lump and sinter feed products which are in high demand from the local steel and pig iron industries. Key highlights of the Candonga Feasibility Study completed in September 2014 include low forecast mine gate cash operating costs (C1 + Royalties) of A\$14.9/tonne from a very low pre-production capital cost of A\$3.6 million.

Centaurus Managing Director, Mr Darren Gordon, said the Company was continuing to tick the boxes of its permitting and pre-development program, with the Trial Mining Licence approval coming less than nine months after it was lodged – demonstrating the Mines Department's confidence in the project.

<sup>1</sup> Refer to ASX announcements on 30 September 2014 for full details of Candonga Feasibility Study and JORC Ore Reserve estimate.

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“Our focus will now be to finalise the environmental approval process to allow on-site development work to commence while also accelerating the full Mining Lease application to underpin future expansion above 300,000tpa,” he said.

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