AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

& MEDIA RELEASE

18 August 2014

CANDONGA PROJECT: TESTWORK CONFIRMS ABILITY TO PRODUCE HIGH-GRADE DSO LUMP AND SINTER PRODUCTS

Another important project milestone with Feasibility Study now underway targeting production in early 2015

Key Points

- **Classification testwork on diamond core samples indicates that 20-25% of the high grade itabirite mineralisation at Candonga delivers a Direct Shipping Ore (DSO) Lump product (+6.3mm) grading +65% Fe with low impurities.**
- **The balance of the high grade itabirite mineralisation delivers a DSO Sinter Feed product (-6.3mm) at +65% Fe, of which around 60% has a +1mm physical sizing – achieving 100% mass recovery from the high grade itabirite mineralisation feed.**
- **Earlier classification work from bulk trench samples indicates that a Lump ratio of up to 40% may be achieved in a mine operating scenario.**
- **High grade results received from current diamond drilling program: best intersections include 24.6m @ 64.4% Fe, 20.3m @ 62.3% Fe and 20.0m @ 66.0% Fe[1].**
- **Feasibility Study on a potential DSO operation now underway and due for completion by the end of September 2014: production targeted to commence in Q1 2015.**

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to announce that it has taken another important step towards confirming the viability of its 100%-owned **Candonga Iron Ore Project** in south-east Brazil, with recent ore classification testwork results on diamond core samples confirming the ability to produce high-grade lump and sinter products with low impurities from the deposit.

The results demonstrate that the high grade DSO mineralisation at Candonga delivers 20-25% as a Lump product (+6.3mm) with an **average iron grade of 65.7% Fe** using a simple dry screening process. The remaining DSO material is classified as a Sinter Feed product (-6.3mm) with an **average iron grade of 65.5% Fe**, and with approximately 60% of the Sinter Feed product having a physical sizing of +1mm.

Both the Lump product and the Sinter Feed product, with its high percentage of +1mm size fraction, are considered to be premium products which remain in high demand in the Brazilian domestic market by the likely customer base, located only 110-160km from the Project (refer Figure 1).

Centaurus' Managing Director, Mr Darren Gordon, said: *"We are very pleased with the recent classification results from the Candonga Project, which continue to provide us with confidence in the quality of the Lump and Sinter Feed products that can be delivered from the Project and the potential for Candonga to be fast-tracked to development as a niche DSO operation by early 2015."*

---

[1] Refer to ASX announcement on 11 August 2014 for full details on diamond drill results.

Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000

"These results demonstrate the very good quality of the Candonga high grade material with the Lump and Sinter Feed products both returning +65% iron grades with low impurities, including very low phosphorus levels which are highly sought after in the Brazilian domestic market," he said.

"We now have the bulk of our base data from the resource drilling and classification testwork necessary to complete the Feasibility Study that is now underway. The study is planned for completion by the end of September which will put us in a position to make an investment decision in the fourth quarter of 2014.

"We expect to see a high level of activity and news flow over the coming months as we move Candonga towards development, in parallel with ongoing discussions to secure off-take arrangements and financing for the Jambreiro Project."

Classification Testwork

The classification testwork is being undertaken on drill core samples from the current diamond drilling program, which has confirmed the presence of a near-surface, generally flat-lying lens of high grade itabirite.

Highlights of the diamond drill results to date (refer to ASX announcement dated 11 August 2014) include the following continuous intersections (refer Figure 2 for drill-hole locations):

- **24.6m @ 64.4% Fe, 5.5 SiO_2, 1.2% Al_2O_3 and 0.03% P** in drill hole CDG-DD-14-00007 from surface;
- **20.3m @ 62.3% Fe, 8.8 SiO_2, 1.0% Al_2O_3 and 0.03% P** in drill hole CDG-DD-14-00009 from 13.0 m**;**
- **20.0m @ 66.0% Fe, 4.1 SiO_2, 0.5% Al_2O_3 and 0.04% P** in drill hole CDG-DD-14-00006 from 9.3 m**;**
- **16.4m @ 62.0% Fe, 6.4 SiO_2, 2.9% Al_2O_3 and 0.02% P** in drill hole CDG-DD-14-00003 from surface;
- **15.5m @ 62.7% Fe, 4.9 SiO_2, 3.1% Al_2O_3 and 0.03% P** in drill hole CDG-DD-14-00010 from surface;

Classification testwork has been carried out on three mineralisation types: high grade itabirite (+62% Fe), itabirite (50-62% Fe) and mineralised colluvium (+55% Fe). Geological cross-sections in Figures 3 and 4 show the relationship of the three mineralisation types. Samples have been taken considering mineralisation representivity and mine selectivity limits.

A total of 57 samples from 17 diamond drill holes have been processed in Centaurus' Sample Preparation Facility in Belo Horizonte. The chemical assay results that are reported in this announcement, and set out in Tables 1-3, refer to the first 32 samples from the first nine diamond drill holes of the program, the assays from which were reported on 11 August 2014.

All material was crushed to a -31.5 mm top size and homogenized before being separated into domestic market product size fractions using a standard dry screening method: Coarse Lump (+19.0mm), Hematitinha[2] (6.35-19.0mm) and Sinter Feed (-6.35mm). The overall Lump (+6.3mm) fraction referred to in the text of this announcement is the sum of the Coarse Lump and Hematitinha size fractions set out in Table 1-3 below.

High Grade Itabirite Classification Test Results

Product sizing classification results from the first 18 high grade itabirite samples (first nine assayed drill holes) delivered an average of 17.5% of the mineralisation as a Lump product (+6.3mm) with an average iron grade of 65.7% Fe. Feed grades of the high grade itabirite ranged from 62-67% Fe.

[2] Hematitinha = Pig iron (small) blast furnace feed

Table 1 below shows a summary of the dry screening results (refer Table 5 for results of all individual samples):

Table 1 – Average of Dry Screening Results for High Grade Itabirite Feed

	Mass	Grade (%)				
	Rec %	Fe	SiO_2	Al_2O_3	P	LOI
Lump (-31.5 +19mm)	5.9	65.0	2.6	2.0	0.02	0.2
Hematitinha (-19 +6.3mm)	11.6	66.1	2.4	1.6	0.03	-0.1
Sinter Feed	82.5	65.5	3.7	1.5	0.03	0.3
Total Product	100.0	65.7	3.4	1.5	0.03	0.2

While assay results are still pending on the next eight drill holes, classification work on a further 10 samples from these holes has been completed. After considering the classification work on these samples, the average Lump product ratio for the overall batch of 28 samples of high grade itabirite is 23.3%. The increase in the overall Lump product ratio after allowing for these additional 10 samples is due to the area where the additional samples were collected hosting a higher percentage of semi-compact and compact high grade mineralisation. Chemical analysis results for the final samples of the classification test work are due by the end of August.

It is worth noting that the results from in-situ bulk sampling of surface trenching work completed earlier in the calendar year indicated that the DSO Lump product recovery would be around 40%[3] with product grades of between 65-68% Fe. The bulk samples (250-270kg) were taken by an excavator where deep trenching exposed in-situ high grade mineralisation. The lower Lump ratio of the drill core relative to the in-situ trench samples may be due to comminution of the drill core during drilling.

The Company plans to use the Lump product ratio derived from the diamond drilling testwork in its Feasibility Study but recognises the strong potential for a higher Lump ratio in an operating scenario, as demonstrated by the earlier in-situ results.

The non-Lump portion of the DSO material is classified as a Sinter Feed product (-6.3mm) with an average iron grade of approximately 65.5% Fe with low Alumina (Al_2O_3) and Phosphorus (P). Detailed sieve analysis on the Sinter Feed fraction is underway with previous work on this mineralisation type demonstrating that approximately 60% of the Sinter Feed material has a physical sizing of +1mm.

The results indicate that Candonga high grade DSO itabirite ore will produce a high quality product for each product size classification at an overall mass recovery of 100% using a simple dry crushing and screening process.

Given the very high grade nature of the Lump product to date, blending options with products from the mineralised colluvium and Itabirite mineralisation are being investigated to manage the overall grade of Fe and Silica (SiO_2) and to potentially increase the saleable product volumes.

Mineralised Colluvium Classification Test Results

The mineralised colluvium ore overlays the high grade itabirite mineralisation with depths ranging between 1m to 6m. Feed grades of the mineralised colluvium ranged from 55-58% Fe. Product sizing classification results from the first 7 mineralised colluvium samples (first 9 drill holes) deliver an average of 31.2% of the mineralisation as a Lump product (+6.3mm) with an average iron grade of 61.3% Fe.

[3] Refer to ASX announcement on 31 March 2014 for full details of the classification testwork on trench samples.

A summary of the dry screening results (refer Table 5 for results of all individual samples) is provided below in Table 2:

Table 2 – Average of Dry Screening Results for Mineralised Colluvium Feed

	Mass	Grade (%)				
	Rec %	Fe	SiO_2	Al_2O_3	P	LOI
Lump (-31.5 +19mm)	10.5	63.5	4.2	2.8	0.06	2.3
Hematitinha (-19 +6.3mm)	20.7	60.3	6.5	3.5	0.06	2.7
Sinter Feed	68.8	56.1	12.5	4.4	0.04	2.5
Total Product	100.0	57.6	10.7	4.0	0.04	2.5

Classification work has been carried out on a further eight samples for which assays are pending. The average Lump ratio for the complete 15 samples of mineralised colluvium is 34.6%.

The mineralised colluvium material is planned to be processed separately and then blended. The mineralised colluvium Lump product could however, also be a standalone product as this has historically been sold into the Brazilian domestic market with Fe grades as low as 57% Fe.

Itabirite Classification Test Results

The high grade itabirite lens discussed above is hosted by a larger medium grade friable itabirite unit. Feed grades of the itabirite ranges from 50-59% Fe. Product sizing classification results from the first six itabirite samples (from the first nine drill holes already assayed) delivers an average of 14.0% of the mineralisation as a Lump product (+6.3mm) with an average iron grade of 59.5% Fe.

A summary of the dry screening results (refer Table 5 for results of all individual samples) is provided below in Table 3:

Table 3 – Average of Dry Screening Results for Itabirite Feed

	Mass	Grade (%)				
	Rec %	Fe	SiO_2	Al_2O_3	P	LOI
Lump (-31.5 +19mm)	3.4	59.2	6.6	3.6	0.04	1.4
Hematitinha (-19 +6.3mm)	10.6	59.7	8.5	3.2	0.03	1.1
Sinter Feed	86.0	54.3	17.8	2.4	0.03	0.9
Total Product	100.0	54.9	16.7	2.5	0.03	0.9

Classification work has been carried out on a further seven samples for which assays are pending. The average Lump ratio for the complete 14 samples of itabirite is 27.7%.

As with the high grade itabirite, the increase in the Lump product ratio of the itabirite mineralisation for the full batch of samples is due to a greater amount of semi-compact and compact material being intersected in the western part of the deposit, for which samples fall into the batch of assay results that are still to be received.

The itabirite mineralisation is found at the contacts of the high grade itabirite lens and locally as internal lenses. These results indicate that, under a controlled blending regime, part of the itabirite mineralisation can be included in the ROM feed to increase product volumes and manage the higher Fe grades of the high grade material.

Complete results from the current product sizing classification test work program are dependent on the timely delivery of assay results, although the Company expects all assays to be received by the end of August.

Feasibility Study

The Feasibility Study on the Candonga Project is now underway. The study will be based on extraction of the high grade DSO itabirite mineralisation at Candonga with a low strip ratio and a simple dry crush and screen plant. The study will focus on minimizing capital expenditure and utilising local third party contractor participation in the mining operations. Site visits by potential contractors are planned during the next two weeks.

Mass recovery and physical sizing data based on all material types has already been passed to local equipment suppliers for plant sizing and quotations. Mobile and semi-mobile plants of the projected size required are common in the local mining and construction industry and are readily available for new or used purchase.

Resource drilling has also now been completed and results for the second batch (eight holes) of assays are pending. The JORC 2012 Mineral Resource update for the Candonga Project is scheduled to be completed by the end of August 2014.

The Feasibility Study is planned for completion by the end of September 2014, allowing a Final Investment Decision to be made in Q4 2014 once the requisite approvals and licences have been secured.

Project Licensing

The application for a Trial Mining Licence (Guia de Utilização – "GU"), which allows for mining of 300,000tpa of ore per licence, was lodged in early April 2014. The simple licensing process is managed by the Mines Department (DNPM) in Minas Gerais. The Company is now working with the DNPM to plan a site visit to Candonga, which is a key step in the GU approval process.

Concurrently, the Company has advanced the Environmental Licensing process for Candonga with the State Environmental Authority (Supram) by lodging the main Environmental Licence Application, known as the RCA/PCA, in May 2014. The process is relatively straightforward due to the planned operating parameters and because the Project is located on pastoral land requiring no native vegetation clearing.

-ENDS-

Released by:
Nicholas Read
Read Corporate
M: +61 419 929 046

On behalf of:
Darren Gordon
Managing Director
Centaurus Metals Limited
T: +618 9420 4000

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Roger Fitzhardinge has 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1 – Candonga Project Location Map

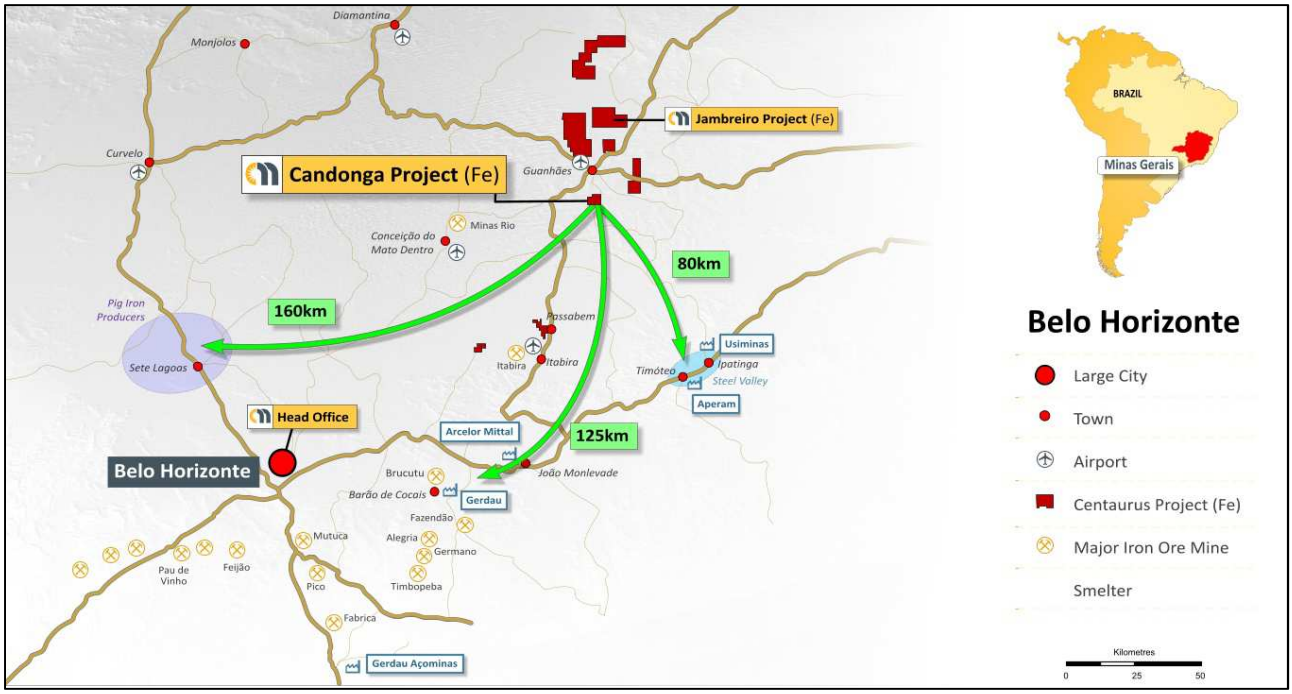

Figure 2 – Candonga Project Map – Analytical Signal Image with Drill Results – August 2014

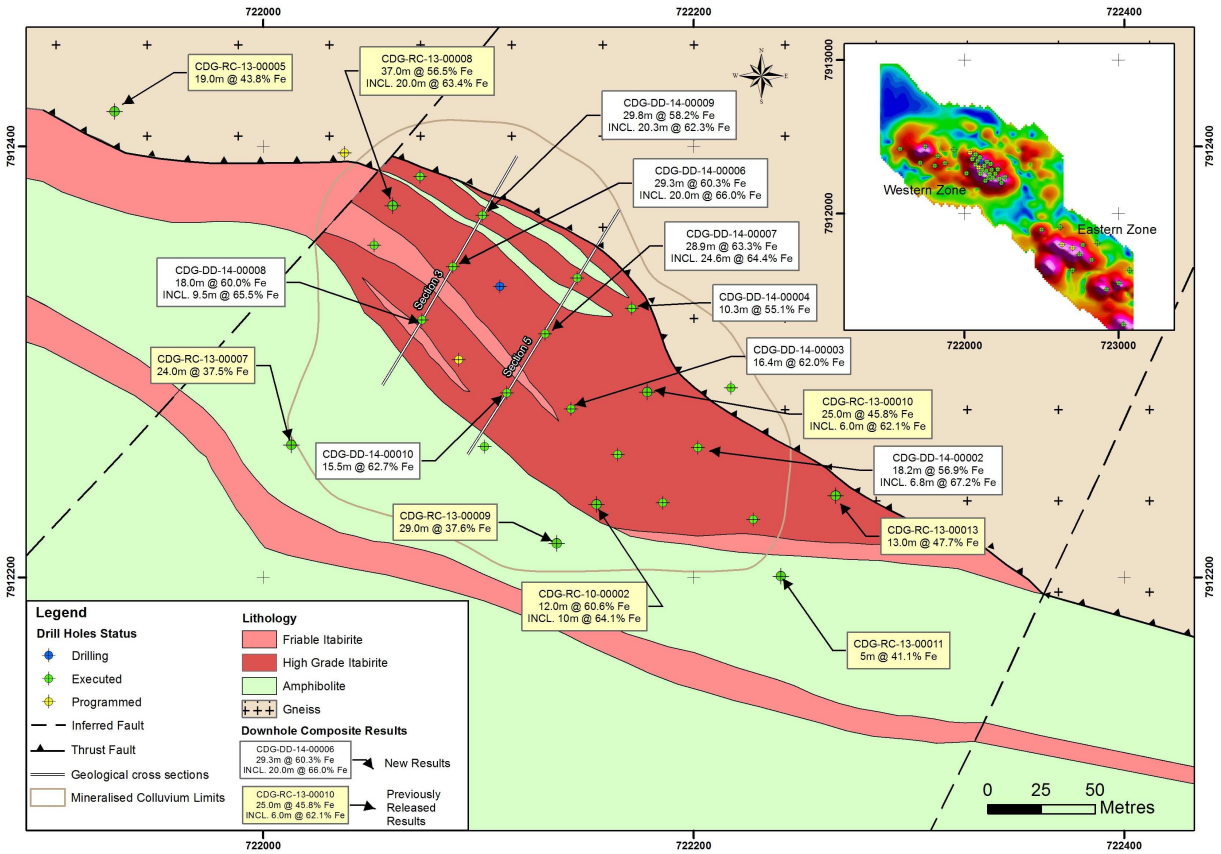

Figure 3 – Candonga Iron Ore Project – Schematic Cross Section 3

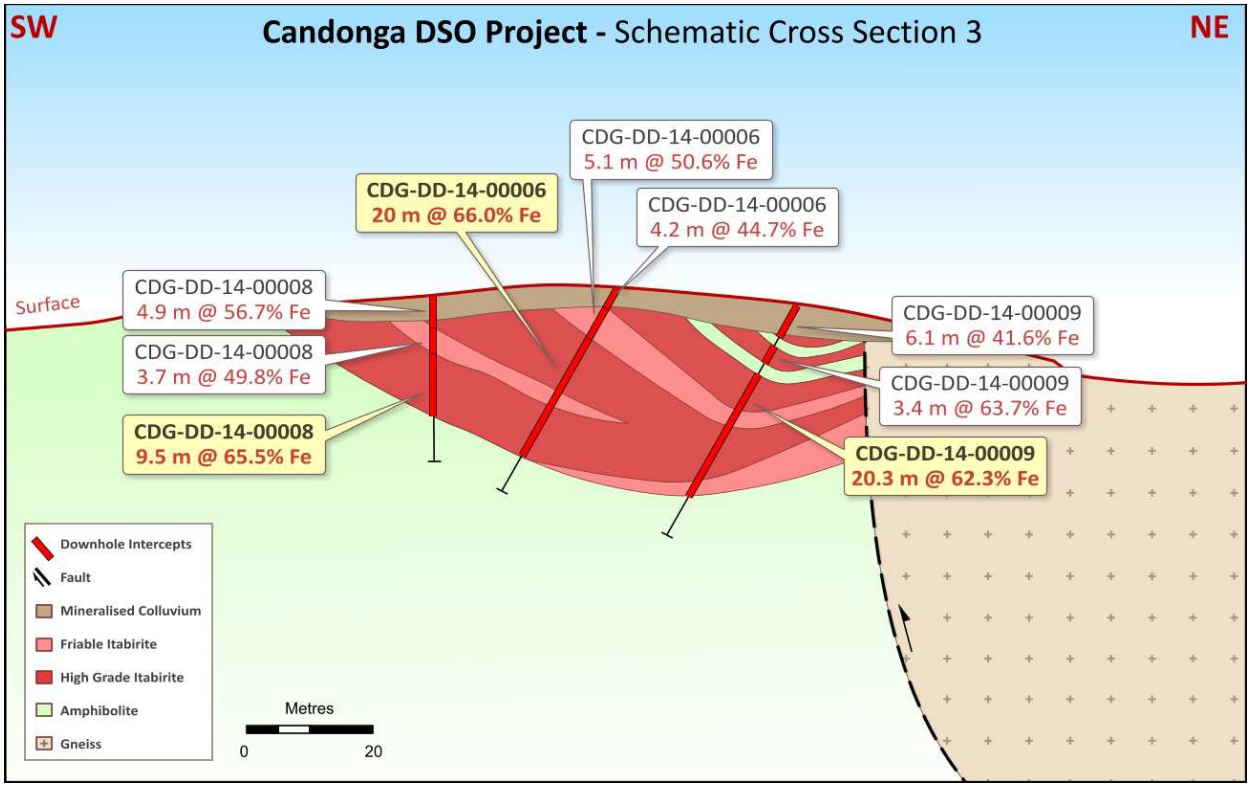

Figure 4 – Candonga Iron Ore Project – Schematic Cross Section 5

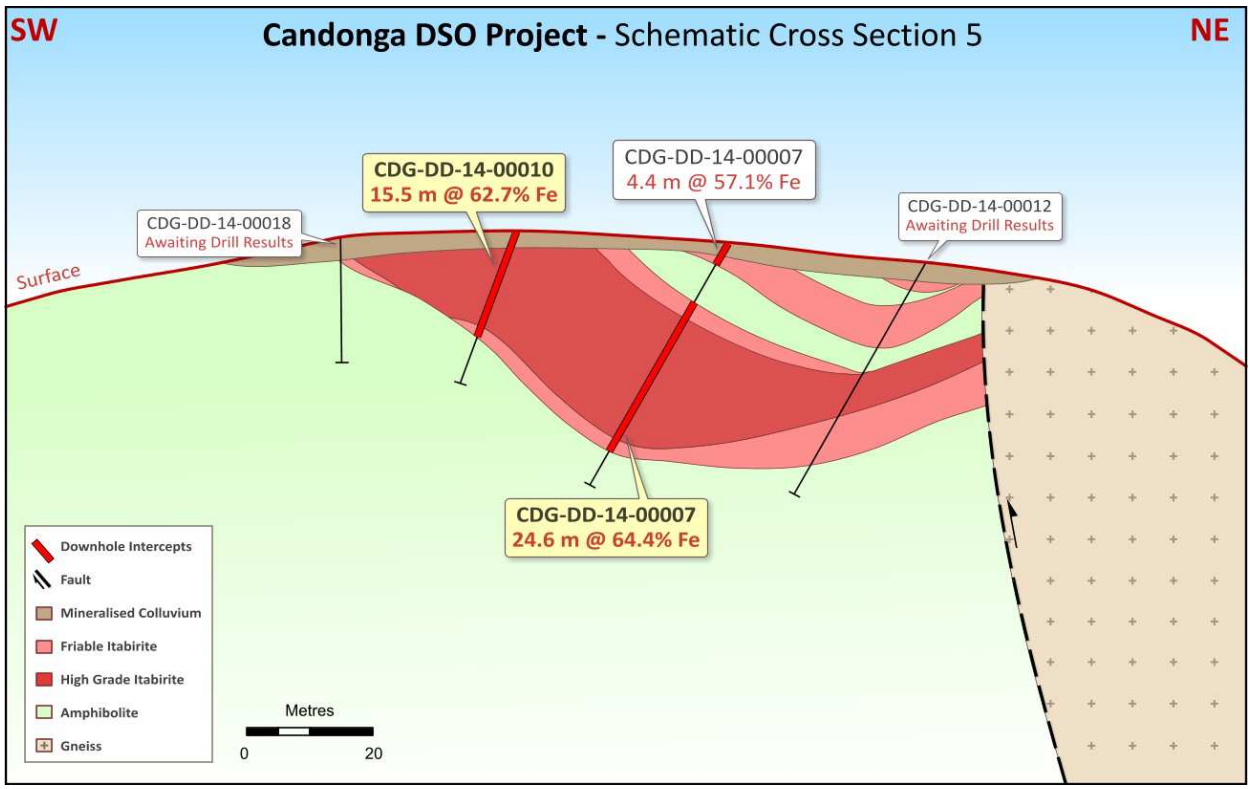

Table 4 –Candonga Project Diamond Drill Results – August 2014

Hole ID	SAD69 East	SAD69 North	mRL	Dip	Azi	Final Depth(m)	From (m)	To (m)	Downhole width (m)	Rock Type	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
CDG-DD-14-00002							1.2	8.0	6.8	High Grade Itabirite	67.2	2.1	0.7	0.02	0.14
CDG-DD-14-00002							8.0	16.2	8.2	Friable Itabirite	46.0	28.3	3.7	0.02	1.41
CDG-DD-14-00002							16.2	19.4	3.2	High Grade Itabirite	63.3	5.6	1.2	0.04	-0.74
CDG-DD-14-00002	**722202**	**7912260**	**910**	**210**	**-60**	**35.4**	**Downhole composite**		**18.2**		**56.9**	**14.5**	**2.1**	**0.02**	**0.56**
CDG-DD-14-00003							0.0	6.5	6.5	Mineralised Colluvium	55.9	12.7	4.7	0.03	2.19
CDG-DD-14-00003							6.5	16.4	9.9	High Grade Itabirite	65.9	2.3	1.8	0.02	0.47
CDG-RC-14-00003	**722143**	**7912278**	**903**	**210**	**-60**	**40.21**	**Downhole composite**		**16.4**		**62.0**	**6.4**	**2.9**	**0.02**	**1.15**
CDG-DD-14-00004							0.0	4.7	4.7	Mineralised Colluvium	57.8	13.3	2.5	0.02	1.05
CDG-DD-14-00004							4.7	10.3	5.6	Friable Itabirite	52.9	21.7	1.5	0.04	0.62
CDG-DD-14-00004	**722171**	**7912325**	**899**	**210**	**-60**	**34**	**Downhole composite**		**10.3**		**55.1**	**17.9**	**1.9**	**0.03**	**0.82**
CDG-DD-14-00005															
CDG-DD-14-00005	**722218**	**7912288**	**896**	**210**	**-60**	**20.0**	**NO SIGNIFICANT INTERSECTION**								
CDG-DD-14-00006							0.0	4.2	4.2	Mineralised Colluvium	44.7	22.4	6.5	0.11	5.04
CDG-DD-14-00006							4.2	9.3	5.1	Friable Itabirite	50.6	26.0	0.8	0.03	0.37
CDG-DD-14-00006							9.3	29.3	20.0	High Grade Itabirite	66.0	4.1	0.5	0.04	-0.10
CDG-RC-14-00006	**722088**	**7912344**	**880**	**210**	**-60**	**36.4**	**Downhole composite**		**29.3**		**60.3**	**10.6**	**1.4**	**0.05**	**0.72**
CDG-DD-14-00007							0.0	4.4	4.4	Mineralised Colluvium	57.1	10.0	4.5	0.03	1.57
CDG-DD-14-00007							10.6	35.1	24.6	High Grade Itabirite	64.4	5.5	1.2	0.03	0.30
CDG-RC-14-00007	**722131**	**7912313**	**896**	**210**	**-60**	**40.0**	**Downhole composite**		**28.9**		**63.3**	**6.2**	**1.7**	**0.03**	**0.49**
CDG-DD-14-00008							0.0	4.9	4.9	Mineralised Colluvium	56.7	13.0	3.4	0.03	1.47
CDG-DD-14-00008							6.1	9.7	3.6	Friable Itabirite	49.8	27.1	1.1	0.02	0.66
CDG-DD-14-00008							9.7	19.2	9.5	High Grade Itabirite	65.5	4.3	0.9	0.03	-0.02
CDG-DD-14-00008	**722074**	**7912319**	**878**	**210**	**-90**	**25.1**	**Downhole composite**		**18.0**		**60.0**	**11.2**	**1.6**	**0.02**	**0.53**
CDG-DD-14-00009							0.0	6.1	6.1	Mineralised Colluvium	41.6	24.8	8.8	0.04	4.56
CDG-DD-14-00009							7.0	10.4	3.4	High Grade Itabirite	63.7	6.4	1.3	0.04	0.38
CDG-DD-14-00009							13.0	30.0	17.0	High Grade Itabirite	64.2	6.0	1.0	0.03	-0.09
CDG-DD-14-00009							30.0	33.3	3.3	Friable Itabirite	52.3	23.0	1.2	0.03	0.33
CDG-DD-14-00009	**722102**	**7912368**	**877**	**210**	**-60**	**40.9**	**Downhole composite**		**29.8**		**58.2**	**11.8**	**2.6**	**0.03**	**0.96**
CDG-DD-14-00010							0.0	3.5	3.5	Mineralised Colluvium	59.6	6.6	4.7	0.05	2.74
CDG-DD-14-00010							3.5	15.5	12.0	High Grade Itabirite	63.7	4.4	2.6	0.02	0.60
CDG-DD-14-00010	**722113**	**7912286**	**897**	**210**	**-70**	**24.6**	**Downhole composite**		**15.5**		**62.7**	**4.9**	**3.1**	**0.03**	**1.09**

Intervals calculated using 20% Fe cut-off with 3m minimum mining width; All samples analysed using XRF fusion method with LOI at 1000 °C

Table 5 –Candonga Project Classification Testwork Results – August 2014

Met Sample	Drill Hole	Interval		Length	Rock Type	Product	Mass Rec. %	Grade (%)				
		From	To					Fe	SiO_2	Al_2O_3	P	LOI
MET-CBM-CDG-14-000011	CDG-DD-14-00002	0.00	1.20	1.20	Min. Colluvium	Lump (-31.5 +19mm)	5.7	61.5	5.6	1.9	0.15	5.2
					Min. Colluvium	Hematitinha (-19 +6.3mm)	27.9	58.1	7.4	3.1	0.18	6.5
					Min. Colluvium	Sinter Feed	66.4	54.6	12.6	4.5	0.09	4.2
					Min. Colluvium	Total Product	100.0	56.0	10.7	3.9	0.12	4.9
MET-CBM-CDG-14-000012	CDG-DD-14-00002	1.20	7.95	6.75	HG Itabirite	Lump (-31.5 +19mm)	2.9	67.0	0.7	0.5	0.01	-0.6
					HG Itabirite	Hematitinha (-19 +6.3mm)	9.3	65.9	2.0	0.8	0.04	0.3
					HG Itabirite	Sinter Feed	87.9	68.1	2.0	0.7	0.02	0.2
					HG Itabirite	Total Product	100.0	67.9	2.0	0.7	0.02	0.2
MET-CBM-CDG-14-000014	CDG-DD-14-00002	16.17	19.40	3.23	HG Itabirite	Lump (-31.5 +19mm)	8.8	67.1	3.4	0.7	0.01	-1.5
					HG Itabirite	Hematitinha (-19 +6.3mm)	19.5	66.7	2.6	0.7	0.02	-1.3
					HG Itabirite	Sinter Feed	71.7	63.8	5.9	1.3	0.04	-0.8
					HG Itabirite	Total Product	100.0	64.7	5.1	1.1	0.03	-0.9
MET-CBM-CDG-14-000015	CDG-DD-14-00003	0.00	6.54	6.54	Min. Colluvium	Lump (-31.5 +19mm)	0.0	0.0	0.0	0.0	0.00	0.0
					Min. Colluvium	Hematitinha (-19 +6.3mm)	14.8	60.3	7.8	3.1	0.03	1.5
					Min. Colluvium	Sinter Feed	85.2	55.5	13.1	5.0	0.02	2.4
					Min. Colluvium	Total Product	100.0	56.2	12.3	4.7	0.02	2.3
MET-CBM-CDG-14-000016	CDG-DD-14-00003	6.54	16.40	9.86	HG Itabirite	Lump (-31.5 +19mm)	1.8	65.4	2.2	2.1	0.02	0.8
					HG Itabirite	Hematitinha (-19 +6.3mm)	10.8	65.8	2.1	1.9	0.02	0.2
					HG Itabirite	Sinter Feed	87.4	67.1	2.1	1.6	0.02	0.3
					HG Itabirite	Total Product	100.0	66.9	2.1	1.7	0.02	0.3
MET-CBM-CDG-14-000017	CDG-DD-14-00004	0.00	4.70	4.70	Min. Colluvium	Lump (-31.5 +19mm)	5.3	64.0	4.6	1.3	0.06	1.4
					Min. Colluvium	Hematitinha (-19 +6.3mm)	11.2	62.5	6.1	2.4	0.03	1.3
					Min. Colluvium	Sinter Feed	83.5	55.3	15.9	2.9	0.03	1.3
					Min. Colluvium	Total Product	100.0	56.6	14.2	2.7	0.03	1.3
MET-CBM-CDG-14-000018	CDG-DD-14-00004	4.70	7.60	2.90	Itabirite	Lump (-31.5 +19mm)	8.1	65.8	2.8	1.3	0.05	0.8
					Itabirite	Hematitinha (-19 +6.3mm)	17.5	61.3	8.3	2.0	0.04	0.9
					Itabirite	Sinter Feed	74.4	57.1	15.4	1.8	0.04	0.8
					Itabirite	Total Product	100.0	58.5	13.1	1.8	0.04	0.8
MET-CBM-CDG-14-000020	CDG-DD-14-00005	0.00	6.50	6.50	Min. Colluvium	Lump (-31.5 +19mm)	1.1	64.5	5.4	1.0	0.03	0.6
					Min. Colluvium	Hematitinha (-19 +6.3mm)	8.2	60.6	10.3	1.6	0.03	0.4
					Min. Colluvium	Sinter Feed	90.7	51.4	23.7	1.4	0.02	0.6
					Min. Colluvium	Total Product	100.0	52.3	22.4	1.4	0.02	0.6
MET-CBM-CDG-14-000023	CDG-DD-14-00006	9.30	19.00	9.70	HG Itabirite	Lump (-31.5 +19mm)	1.7	67.1	1.2	1.0	0.05	1.2
					HG Itabirite	Hematitinha (-19 +6.3mm)	5.9	68.1	1.2	0.8	0.03	0.2
					HG Itabirite	Sinter Feed	92.4	68.3	1.0	0.4	0.02	0.1
					HG Itabirite	Total Product	100.0	68.3	1.0	0.5	0.02	0.2
MET-CBM-CDG-14-000025	CDG-DD-14-00006	21.00	29.30	8.30	HG Itabirite	Lump (-31.5 +19mm)	4.6	67.3	1.4	0.6	0.05	-0.9
					HG Itabirite	Hematitinha (-19 +6.3mm)	8.5	68.4	1.3	0.6	0.06	-1.1
					HG Itabirite	Sinter Feed	86.9	67.1	2.7	0.5	0.05	-0.3
					HG Itabirite	Total Product	100.0	67.2	2.5	0.5	0.05	-0.4
MET-CBM-CDG-14-000026	CDG-DD-14-00008	0.00	3.10	3.10	Min. Colluvium	Lump (-31.5 +19mm)	9.0	63.8	4.1	3.0	0.04	1.4
					Min. Colluvium	Hematitinha (-19 +6.3mm)	16.8	59.4	7.3	4.6	0.05	2.3
					Min. Colluvium	Sinter Feed	74.3	54.3	16.8	3.9	0.04	1.4
					Min. Colluvium	Total Product	100.0	56.0	14.1	3.9	0.04	1.5
MET-CBM-CDG-14-000027	CDG-DD-14-00008	3.10	7.00	3.90	Itabirite	Lump (-31.5 +19mm)	6.4	62.8	6.7	1.8	0.02	0.5
					Itabirite	Hematitinha (-19 +6.3mm)	5.4	65.6	3.7	1.5	0.02	0.1
					Itabirite	Sinter Feed	88.2	54.8	19.1	1.5	0.02	0.6
					Itabirite	Total Product	100.0	55.9	17.5	1.5	0.02	0.5
MET-CBM-CDG-14-000029	CDG-DD-14-00008	10.70	19.20	8.50	HG Itabirite	Lump (-31.5 +19mm)	4.0	64.0	6.0	1.3	0.03	0.2
					HG Itabirite	Hematitinha (-19 +6.3mm)	10.7	61.0	6.6	3.1	0.04	0.9
					HG Itabirite	Sinter Feed	85.3	64.0	5.5	1.2	0.03	0.2
					HG Itabirite	Total Product	100.0	63.7	5.6	1.4	0.03	0.3
MET-CBM-CDG-14-000030	CDG-DD-14-00007	0.00	3.28	3.28	Min. Colluvium	Lump (-31.5 +19mm)	10.2	66.8	2.1	2.4	0.01	0.3
					Min. Colluvium	Hematitinha (-19 +6.3mm)	12.6	62.9	4.8	2.2	0.02	0.7
					Min. Colluvium	Sinter Feed	77.1	58.6	11.6	3.8	0.02	1.6
					Min. Colluvium	Total Product	100.0	60.0	9.8	3.4	0.02	1.3
MET-CBM-CDG-14-000031	CDG-DD-14-00007	3.28	4.39	1.11	Itabirite	Lump (-31.5 +19mm)	2.9	52.8	3.4	5.0	0.03	0.2
					Itabirite	Hematitinha (-19 +6.3mm)	13.3	56.3	6.6	5.6	0.03	1.3
					Itabirite	Sinter Feed	83.8	55.8	7.9	5.8	0.04	1.6
					Itabirite	Total Product	100.0	55.8	7.6	5.8	0.03	1.5
MET-CBM-CDG-14-000032	CDG-DD-14-00007	10.57	22.39	11.82	HG Itabirite	Lump (-31.5 +19mm)	3.7	58.8	1.3	1.3	0.06	2.6
					HG Itabirite	Hematitinha (-19 +6.3mm)	5.6	64.4	3.8	2.1	0.04	1.2
					HG Itabirite	Sinter Feed	90.8	65.9	3.7	1.5	0.02	0.6
					HG Itabirite	Total Product	100.0	65.6	3.6	1.5	0.02	0.7
MET-CBM-CDG-14-000034	CDG-DD-14-00007	25.40	35.12	9.72	HG Itabirite	Lump (-31.5 +19mm)	5.6	68.0	0.7	0.6	0.01	-1.1
					HG Itabirite	Hematitinha (-19 +6.3mm)	8.6	68.2	1.0	0.6	0.02	-1.1
					HG Itabirite	Sinter Feed	85.8	67.0	3.3	0.7	0.03	-0.3
					HG Itabirite	Total Product	100.0	67.2	3.0	0.6	0.03	-0.4
MET-CBM-CDG-14-000035	CDG-DD-14-00009	0.00	1.20	1.20	Min. Colluvium	Lump (-31.5 +19mm)	33.4	63.7	3.9	3.4	0.03	1.9
					Min. Colluvium	Hematitinha (-19 +6.3mm)	38.7	57.8	7.0	5.1	0.05	3.9
					Min. Colluvium	Sinter Feed	27.8	55.1	9.7	5.8	0.04	3.7
					Min. Colluvium	Total Product	100.0	59.0	6.7	4.7	0.04	3.2
MET-CBM-CDG-14-000036	CDG-DD-14-00009	7.90	10.37	2.47	HG Itabirite	Lump (-31.5 +19mm)	7.5	69.1	0.7	0.6	0.02	-0.5
					HG Itabirite	Hematitinha (-19 +6.3mm)	5.3	66.7	2.1	1.3	0.03	0.3
					HG Itabirite	Sinter Feed	87.2	67.7	2.2	0.9	0.02	0.0
					HG Itabirite	Total Product	100.0	67.8	2.1	0.9	0.02	0.0

Table 5 Continued –Candonga Project Classification Testwork Results – August 2014

Met Sample	Drill Hole	Interval		Length	Rock Type	Product	Mass Rec. %	Grade (%)				
		From	To					Fe	SiO_2	Al_2O_3	P	LOI
MET-CBM-CDG-14-000037	CDG-DD-14-00009	13.00	15.10	2.10	HG Itabirite	Lump (-31.5 +19mm)	1.2	49.4	13.5	11.0	0.02	3.9
					HG Itabirite	Hematitinha (-19 +6.3mm)	3.6	67.9	1.4	1.3	0.01	-0.5
					HG Itabirite	Sinter Feed	95.2	65.9	3.6	2.1	0.02	0.5
					HG Itabirite	Total Product	100.0	65.8	3.6	2.2	0.02	0.5
MET-CBM-CDG-14-000038	CDG-DD-14-00009	15.10	18.15	3.05	HG Itabirite	Lump (-31.5 +19mm)	18.5	68.1	1.4	1.2	0.01	-0.8
					HG Itabirite	Hematitinha (-19 +6.3mm)	12.2	68.2	1.0	0.5	0.02	-1.3
					HG Itabirite	Sinter Feed	69.3	65.6	5.3	0.7	0.03	-0.4
					HG Itabirite	Total Product	100.0	66.4	4.0	0.8	0.02	-0.6
MET-CBM-CDG-14-000039	CDG-DD-14-00009	18.73	20.10	1.37	HG Itabirite	Lump (-31.5 +19mm)	10.6	68.6	0.6	0.5	0.01	-1.7
					HG Itabirite	Hematitinha (-19 +6.3mm)	3.5	67.6	1.5	0.7	0.02	-0.9
					HG Itabirite	Sinter Feed	85.9	63.6	5.8	1.0	0.03	0.1
					HG Itabirite	Total Product	100.0	64.3	5.1	0.9	0.03	-0.1
MET-CBM-CDG-14-000040	CDG-DD-14-00009	20.10	22.05	1.95	Itabirite	Lump (-31.5 +19mm)	0.8	54.0	11.7	5.8	0.05	2.1
					Itabirite	Hematitinha (-19 +6.3mm)	2.7	55.3	12.9	3.8	0.02	1.5
					Itabirite	Sinter Feed	96.5	46.9	30.0	1.0	0.01	0.3
					Itabirite	Total Product	100.0	47.2	29.4	1.1	0.01	0.3
MET-CBM-CDG-14-000041	CDG-DD-14-00009	22.53	30.95	8.42	HG Itabirite	Lump (-31.5 +19mm)	10.0	67.4	1.4	1.1	0.02	-0.3
					HG Itabirite	Hematitinha (-19 +6.3mm)	14.9	67.1	2.4	1.5	0.03	-0.2
					HG Itabirite	Sinter Feed	75.1	65.4	3.5	1.0	0.03	0.1
					HG Itabirite	Total Product	100.0	65.9	3.1	1.1	0.03	0.0
MET-CBM-CDG-14-000043	CDG-DD-14-00010	0.00	3.50	3.50	Min. Colluvium	Lump (-31.5 +19mm)	9.6	61.3	4.9	4.8	0.06	3.5
					Min. Colluvium	Hematitinha (-19 +6.3mm)	22.8	61.2	5.2	4.3	0.05	2.8
					Min. Colluvium	Sinter Feed	67.5	59.0	8.0	5.0	0.04	3.0
					Min. Colluvium	Total Product	100.0	59.7	7.1	4.8	0.04	3.0
MET-CBM-CDG-14-000044	CDG-DD-14-00010	3.50	6.40	2.90	HG Itabirite	Lump (-31.5 +19mm)	7.3	66.6	1.9	1.7	0.01	-0.3
					HG Itabirite	Hematitinha (-19 +6.3mm)	19.8	66.1	2.3	2.0	0.01	0.2
					HG Itabirite	Sinter Feed	72.9	65.3	3.6	2.6	0.01	1.0
					HG Itabirite	Total Product	100.0	65.6	3.2	2.4	0.01	0.8
MET-CBM-CDG-14-000045	CDG-DD-14-00010	6.40	8.30	1.90	HG Itabirite	Lump (-31.5 +19mm)	1.5	63.4	2.6	2.4	0.01	0.2
					HG Itabirite	Hematitinha (-19 +6.3mm)	14.2	63.9	2.9	2.6	0.01	0.5
					HG Itabirite	Sinter Feed	84.3	62.6	3.5	2.9	0.01	1.1
					HG Itabirite	Total Product	100.0	62.8	3.4	2.9	0.01	1.0
MET-CBM-CDG-14-000046	CDG-DD-14-00010	8.30	9.30	1.00	HG Itabirite	Lump (-31.5 +19mm)	8.2	66.2	2.1	2.0	0.02	0.4
					HG Itabirite	Hematitinha (-19 +6.3mm)	23.5	65.8	2.4	2.3	0.02	0.3
					HG Itabirite	Sinter Feed	68.3	63.8	3.7	3.4	0.02	1.3
					HG Itabirite	Total Product	100.0	64.5	3.3	3.0	0.02	1.0
MET-CBM-CDG-14-000047	CDG-DD-14-00010	9.30	10.30	1.00	HG Itabirite	Lump (-31.5 +19mm)	6.8	65.7	2.4	2.0	0.02	0.0
					HG Itabirite	Hematitinha (-19 +6.3mm)	13.4	65.4	3.0	2.2	0.02	0.1
					HG Itabirite	Sinter Feed	79.8	65.4	4.4	2.0	0.02	0.7
					HG Itabirite	Total Product	100.0	65.4	4.1	2.0	0.02	0.6
MET-CBM-CDG-14-000048	CDG-DD-14-00010	10.30	11.50	1.20	Itabirite	Lump (-31.5 +19mm)	1.1	55.5	9.4	6.7	0.06	4.4
					Itabirite	Hematitinha (-19 +6.3mm)	16.6	58.8	9.1	4.6	0.04	2.5
					Itabirite	Sinter Feed	82.3	59.6	10.6	3.1	0.03	1.6
					Itabirite	Total Product	100.0	59.4	10.3	3.4	0.03	1.8
MET-CBM-CDG-14-000049	CDG-DD-14-00010	11.50	16.95	5.45	HG Itabirite	Lump (-31.5 +19mm)	1.6	60.7	2.9	4.8	0.05	1.6
					HG Itabirite	Hematitinha (-19 +6.3mm)	20.1	61.9	4.2	3.7	0.04	0.6
					HG Itabirite	Sinter Feed	78.3	62.4	5.2	3.3	0.03	0.7
					HG Itabirite	Total Product	100.0	62.3	5.0	3.4	0.03	0.7

APPENDIX A – TECHNICAL DETAILS OF THE CANDONGA PROJECT, JORC CODE, 2012 EDITION – TABLE 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	Commentary
Sampling techniques	• All trenches in the 2013 program were cut down to 2.2m. Continuous cut channels were sampled on 2m intervals or to lithological contacts. The 3-5kg sample were split and pulverised to a ±50g sample for XRF and titration analysis. • RC samples were taken at 1m intervals from which 3-5kg was split, prepared and analysed as above. • Diamond samples were taken at maximum 1.3m intervals or to lithological contacts no less than 0.3m from which ¼ core (3-5kg) was sampled, prepared and analysed as above. • The Candonga Project has a regular drill hole spacing of around 40mx25m over the high grade itabirite zone, drilling on the other areas is irregular. • Field duplicate samples were taken at a set frequency of one every 20 samples (5% of total samples) from the splitter to monitor sample representivity. • All of the data used for the resource estimation is based on the logging and sampling of historical trenches, RC and diamond core drilling. Excluding results from this announcement and the 2013 trench program which will be included in the forthcoming resource up date. • Classification testwork sample from drill core were continuous with the minimum sample interval being 1.0 metres. A ¼ core sample was taken, minimum samples weight was 3.5kg with maximum sample weight being 25kg. All sample intervals are described in Table 5. • For classification bulk samples a small excavator was used to target samples the specific lithologies (in situ itabirite and mineralised colluvium). Sample weights were between 250-270kg
Drilling techniques	• Historically two diamond holes (HQ) were drilled by Cenibra for a total of 95m in 2007. • Centaurus completed 1 diamond drill hole (HQ) for a total of 88m in 2010. • RC drilling employed a 5.5” face hammer. Centaurus completed 26 RC holes (5.5”) for a total of 1,603m in 2010 and 2013. • At the date of this announcement Centaurus completed 21 diamond drill holes (HQ) for a total of 605m of the current program. • Hole depths range from 20 to 95m.
Drill sample recovery	• For diamond drilling, core recoveries were logged and recorded in the database for all Centaurus diamond holes. Overall recoveries are >85% and there are no core loss issues or significant sample recovery problems. • For RC drilling geologists or field assistants recorded sample weights and calculated sample recovery during drilling. No significant issues were detected. • To ensure adequate sample recovery and representivity a Centaurus geologist or field technician was present during drilling and monitored the sampling process. • No relationship between sample recovery and grade has been demonstrated. No bias to material size has been demonstrated.
Logging	• All trenches and drill holes have been logged geologically and geotechnically to a level of detail appropriate to support the Mineral Resource estimate as well as metallurgical and mining study support for iron ore. • Logging for both forms of drilling is qualitative and quantitative in nature. • All Centaurus trenches, RC chip trays and diamond core have been photographed. Historical drilling was not photographed. • The total length of drilling to the date of this announcement is 2,391m, 100% has been logged. The total length of trenches is 438m, 100% has been logged.

Criteria	Commentary
Sub-sampling techniques and sample preparation	• Diamond Core (HQ) was cut with a specialized sampling tool where friable or using a core saw where compact. A quarter core was sampled. • RC samples were collected on 1m down hole intervals reduced using a 3-tier riffle splitter reducing the sample size to 3-5kg. Sample weight/split analysis shows that on average a 12.5% split ratio was achieved. • The majority of mineralised samples from RC drilling were dry. • Classification samples for the Candonga DSO Project have been taken from the first 17 holes of the 2014 diamond program. This announcement refers to samples taken from the first 9 holes, assays are pending from the final 8 holes. The remaining drill holes are part of an exploration program. • All metallurgical samples were received and prepared at the Centaurus SPF. The samples were received naturally dry. After homogenization the sample was crushed to -32mm and water was added to simulate 4% and 7% natural moisture. • Dry sieve analysis was completed using a screening plant for the following size fractions: -31.5mm, -19.0mm and, -6.3mm. • The product samples were split to 1kg then pulverised and split further to a 100g aliquots that were sent to SGS Geosol for chemical analysis.
Sub-sampling techniques and sample preparation	• All samples were received and prepared by ALS, SGS or Intertek Labs in Belo Horizonte, Brazil as 3-5kg samples. They were dried at 105°C until the sample was completely dry (6-12hrs), crushed to 90% passing 2mm and reduced to 500g via a Jones riffle splitter. The 500g samples were pulverised to 95% passing 104µm and split further to 50g aliquots for chemical analysis. • Field control sample insertion included field duplicates taken every 25 samples. Results from the duplicate samples show the data has an acceptable precision, indicating that the sampling technique is appropriate for the deposit. • The sample size is considered to be appropriate to correctly represent the mineralisation as well as the thickness and consistency of the mineralised intersections.
Quality of assay data and laboratory tests	• All chemical analysis was completed at ALS, SGS or Intertek Labs. Laboratory duplicates were completed every 10-20 samples and standards were completed every 20-25 samples dependent on the laboratory. • Laboratory control sample insertion included blank samples at the start of every new hole then every 50 samples. Standard samples (CRMs from Geostats Australia) are inserted every 20 samples. A number of different standards at a range of grades are used to monitor analytical precision of the assay results. Field duplicates were inserted every 25 samples. • Metal Oxide is determined using XRF analysis. Analysis at ALS was for a 24 element suite while at Intertek analysis was for 11 elements. FeO is determined using Titration and LOI using Loss Determination by Thermogravimetric analysis. • Laboratory procedures are in line with industry standards and are appropriate for iron ore. • Acceptable levels of precision have been achieved with all standard assays reporting within 2 standard deviations of the certified mean grade for the main elements of interest. • The ALS, SGS and Intertek labs insert their own standards at set frequencies and monitor the precision of the XRF analysis. These results also reported well within the specified 2 standard deviations of the mean grades for all main elements. Additionally the labs performed repeat analyses of sample pulps at a rate of 1:20 (5% of all samples). These compare very closely with the original analysis for all elements. • Analysis of field duplicates and lab pulp duplicates have returned an average correlation coefficient of over 0.96 confirming that the precision of the samples is within acceptable limits. • Centaurus sends a selection of pulps to umpire laboratories (Acme and ALS) for independent verification. To date comparison of results between laboratories did not reveal any issues and analytical precision was considered acceptable. • Centaurus QAQC procedures and results are to industry standard and are of acceptable quality.

Criteria	Commentary
Verification of sampling and assaying	• All significant intersections are verified by alternative Company personnel before release. As part of Resource estimation process drill hole data was independently reviewed by BNA Micromine. • No twin holes have been completed to date. • All primary data is stored in the Centaurus Exploration office (Guanhães, Brazil). All data is entered into a Micromine Geobank database which is administrated by a Database Geologist. • No adjustments were made to the assay data apart from resetting the below detection level values to half of the detection limit.
Location of data points	• The survey grid system used is SAD-69 23S. This is in line with Brazilian Mines Department requirements. All survey collars and trenches were surveyed using a Total Station. There were no down hole surveys completed. • Complete topographical survey pickup of the area was done using a Total Station with pickup completed on 10x10m spacing. • Drill holes reported in this announcement were surveyed using hand held GPS. Final survey-pick up is planned for late August.
Data spacing and distribution	• Drill sections run perpendicular to the high grade itabirite mineralisation at spacing between 30-40m. Drill spacing way from the High Grade zone is irregular. Drill holes on section are generally 25-30m apart. Due to local topographical constraints the spacing is sometimes not achievable. • The data spacing and distribution is considered adequate to establish the degree of geological and grade continuity appropriate for the Mineral Resource estimation and classifications applied under the JORC 2012 code. • No sample compositing has been applied.
Orientation of data in relation to geological structure	• The orientation of the mineralisation is understood and drill holes were designed to intersect the mineralisation at an appropriate angle. This is demonstrated in the geological cross-sections (see Figures 3-4). • All significant intersections have been reported as downhole widths and not true widths. • The trenches by nature are oblique to the mineralisation angle and as a result return accentuated mineralised interval. • No drilling orientation and sampling bias has been recognized at this time and is not considered to have introduced a sampling bias.
Sample security	• All samples are placed in pre-numbered plastic samples bags and then a sample ticket is placed within the bag as a check. Bags are sealed and placed in larger bags (10 samples per bag) and then transported by courier to ALS or Intertek labs in Belo Horizonte. Sample request forms are sent with the samples and via email to the labs. Samples are checked at the lab and a work order is generated by the lab which is checked against the sample request. • All remnant diamond core, RC chip trays, sample rejects and pulps are stored at the Guanhães technical office.
Audits or reviews	• As part of the previous Resource estimation process drill hole data was independently reviewed by Volodymyr Myadzel the BNA Micromine Senior Resource Geologist and project Competent Person. The report finds the sample techniques and data collection and management to be in line with current industry standards.

Section 2 Reporting of Exploration Results

Criteria	Commentary
Mineral tenement and land tenure status	• The Candonga Project tenement (DNPM 831.629/2004) is 100% owned by Centaurus. • The tenement is part of the Cenibra-Centaurus Agreement. Centaurus will pay a vendor royalty of 0.85% of gross revenue on any product sold from the tenement. • All mining projects in Brazil are subject to the CFEM royalty, a government royalty of 2% of revenue (less taxes and logistics costs). • Landowner royalty is 50% of CFEM royalty. • The project is not located within national or state wilderness or historical parks. • The Final Exploration Report was submitted on 27 November 2013. An application for a Trail Mining License was submitted on 11 April 2014, the licence allows for the mining and dry processing of 300ktpa of ROM per license.
Exploration done by other parties	• Cenibra conducted geological mapping and a small diamond drill program in 2007 to satisfy Brazilian Mine Department requirements.
Geology	• The Candonga Project is located within the Guanhães Group (Lower Proterozoic) of the Mantiqueira Complex. The region is dominated by structurally complex meta-volcanic and meta-sedimentary sequences with duplex fault systems and folding ranging from micro folding in outcrop to large scale regional deformation. • The Itabirite units are part of an iron formation including ferruginous quartzites, quartz mica schists and amphibolites within a metasedimentry sequence. This sequence is emplaced in regional gneissic basement. • The Itabirite mineralisation comprises concentrations of medium - coarse grained friable and compact material that have undergone iron enrichment. The mineralisation is composed of quartz, hematite, magnetite, goethite, limonite, with minor amphibole (Grunerite), Mica (muscovite) and clay minerals. • Itabirite thicknesses vary from 5m to up to 40m generally dipping 30-55° to the N-NE. The combined strike length of the mapped mineralisation is around 1,500m. Itabirite has been intersected at depths up to 88m with friable itabirite intersected up to 60 metres. • There are localised occurrences of high grade itabirite or Magnetite lenses (up to 30m thick) associated with hydrothermal enrichment along fold axis and fault planes.
Drill hole Information	• At the date of announcement a total of 50 holes for 2,391m have been completed on the Candonga Project including 24 diamond holes for a total of 788m and 26 RC holes for a total of 1,603m. • Refer to Table 4 for full list of significant intersection and drill hole data from recent drilling. Refer to ASX Announcement on 11 August 2014 for full list of historical drilling.
Data aggregation methods	• Continuous sample intervals are calculated via weighted average using a 20% Fe cut-off grade with 3 metre minimum mining widths. • High grade intervals within a continuous sample interval may be reported inclusive. (For example: *CDG-RC-13-0008 37m @ 56.5% Fe, including 20m @ 63.4% Fe*) Further details of the intersections can be found in the drill hole results table. • No metal equivalents are reported.
Relationship between mineralisation widths and intercept lengths	• The orientation of the mineralisation is well understood and drill holes were designed to intersect the mineralisation at an appropriate angle representing the true widths. Where the true width is not intersected it is stated and also demonstrated in cross sectional diagrams. • The trenches by nature are oblique to the mineralisation angle and as a result return accentuated mineralised interval.
Diagrams	• Refer to Figures 1-4.

Criteria	Commentary
Balanced reporting	• All new Exploration Results received by the Company to date have been included in this report. Historical results can be found in the relevant aforementioned ASX announcements.
Other substantive exploration data	• Geological mapping was carried out by Centaurus geologists. • Ground magnetics survey was carried out using a G-856 Magnetometer on 50m N-S line spacings with measurements every 10m. Interpretation was completed by geophysicists from Intergeo Geosciences. • A JORC 2004 Resource estimate has been completed on the Candonga Project. Refer to ASX announcement on 8 August 2013 for full details of the estimate. • Classification test work has been carried out on the Candonga high grade itabirite mineralisation. See ASX announcement on 31 March 2014 for full details of the most recent results. • Refer to ASX announcement on 19 January 2012 for full details of the historical trench results referenced in this announcement.
Further work	• The Company plans to update the current Candonga Resource estimate to JORC 2012 standards; complete characterisation testwork on diamond samples; carryout a comprehensive tender process for third party mining and pant operations and complete a Feasibility Study.

SECTION 3 ESTIMATION AND REPORTING OF MINERAL RESOURCES

Not Applicable – No resource references were cited in the announcement.