

# 2010 ANNUAL GENERAL MEETING



CentaurusMetals



30<sup>th</sup> November, 2010

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The information in this presentation that relates to Exploration Results and Mineral Resources of Centaurus Metals' Itambé and Passabem Iron Ore Projects is based on information compiled by Mr Ian Cullen and Mr Roger Fitzhardinge who are Members of AusIMM. Messrs Cullen and Fitzhardinge were full time employees of Centaurus Metals Limited and have sufficient experience which is relevant to the style of mineralisation 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 Reserves'. Messrs Cullen and Fitzhardinge consent to the inclusion in this presentation of the matters based on their information in the form and context in which it appears.

The information in this presentation that relates to Exploration Results and Mineral Resources for the Jambreiro Iron Ore Project 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.

# Brazilian Iron Ore Business



- Centaurus Metals' Brazilian Iron Ore focus is to:

- Produce from a number of Low Capex 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)
- Be generating minimum free cash flows of between \$120 and \$150 million per annum from domestic production
- Have acquired or identified a project capable of producing 12-15mtpa of 64-69% Fe product for a minimum project life of 10 years



# 2010 Key Achievements



## □ Corporate

- Successful merger of Glengarry Resources Limited and Centaurus Resources Limited.
- Leading iron ore executive, Mr George Jones, appointed as Strategic Consultant
- \$18.2 Million Capital Raising

## □ Jambreiro Iron Ore Project

- Project acquired from Brazilian Pulp Company, Cenibra in June 2010.
- 38 hole RC percussion and diamond drilling program.
- Initial Inferred Resource of 77MT @ 29.5% Fe established.
- Beneficiation work shows friable itabirite upgrades to a +63% Fe hematite sinter product via gravity separation process.

## □ Passabem Iron Ore Project

- 13 hole diamond drilling program completed.
- Mineralisation confirmed along entire 5 kilometre strike length.
- Large resource upgrade to 39mt @ 31% Fe (Indicated & Inferred).
- Beneficiation test work underway.



# 2010 Key Achievements – cont'd



- ❑ **Itambe Iron Ore Project**
  - ❑ Resource drill out completed to upgrade category of resource
  
- ❑ **Expansion of Brazilian Iron Ore Portfolio**
  - ❑ Option exercised to acquire a further 16 prospective iron ore tenements from Cenibra
  
- ❑ **Non Core Assets**
  - ❑ South Brazil Copper/Gold assets farmed out to Brazilian mining group, Mining Ventures. Mining Ventures to spend up to US\$4.25 million to earn up to a 90% interest in the Project.
  - ❑ The Dish and Percyvale Projects in Australia divested into new IPO, Southern Crown Resources.
  - ❑ The Citadel Copper Gold Project conditionally divested to new IPO, Antipa Resources Ltd



# Brazil



- Latin America's largest economy
- Rapidly growing population (currently ~200 million)
- Predicted growth of +7% in 2011
- US\$830b 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 Merchant 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**

# Centaurus Metals' Projects



## Project Map

-  Large City
-  Town
-  Highway
-  Road
-  Airport
-  Centaurus Project (Fe)
-  Centaurus Project (Mn)
-  Major Iron Ore Mine
-  Smelter



# Domestic Iron Ore Business

## “Supplying Iron Ore to Brazil’s Steel Mills”





# Domestic Iron Ore Business - 2011



- ❑ Targeting production from a number of low OpEx, low CapEx mines, in close proximity to established infrastructure
- ❑ In 2011 Centaurus Metals main areas of focus will be:
  - ❑ Feasibility studies at the Jambreiro Project
  - ❑ Resource infill drilling at Jambreiro – converting resources to reserves
  - ❑ LOI's from domestic iron ore consumers
  - ❑ Progressing Environmental & Department of Mines approvals for all domestic Projects
  - ❑ Further drilling at established targets such as Candonga
  - ❑ Seeking further near production assets



# Itabirite Ore....



A major source of iron ore production in Brazil...

- ❑ Metamorphosed iron formation composed of iron oxides with abundant quartz
- ❑ Iron Quadrangle itabirites typically comprise hematite
- ❑ Lower ROM grade than other sources of hematite (averaging 30-50% Fe)
- ❑ Extremely well suited to low cost beneficiation
- ❑ Can be upgraded to 63-68% Fe via simple and inexpensive gravity or magnetic separation process
- ❑ **Final product a high quality hematite sinter (predominantly) product with low contaminants**



# Domestic Production - Jambreiro



## Project Map

- Large City
- Town
- Highway
- Road
- Airport
- Centaurus Project (Fe)
- Centaurus Project (Mn)
- Major Iron Ore Mine
- Smelter



# Jambreiro Iron Ore Project (100%)



- ❑ 3,500 metre resource definition drill program completed
- ❑ Results show excellent depth to Jambreiro:
  - 98.2m @ 29.8% Fe, 3.9% Al<sub>2</sub>O<sub>3</sub> and 0.05% P from 28m (JBR-DD-002)
  - 93.8m @ 31.5% Fe, 5.5% Al<sub>2</sub>O<sub>3</sub> and 0.04% P from 9m (JBR-DD-003)
  - 70.0m @ 31.8% Fe, 3.3% Al<sub>2</sub>O<sub>3</sub> and 0.03% P from 41m (JBR-DD-001)
  - 62.5m @ 32.2% Fe, 2.0% Al<sub>2</sub>O<sub>3</sub> and 0.03% P from 0.5m (JBR-DD-011)
- ❑ Project dynamics will facilitate rapid resource definition and potential project development:
  - ❑ Only one land owner
  - ❑ Land already disturbed – Eucalyptus plantation.
  - ❑ Land owner operating triple road trains from site to Steel Valley.



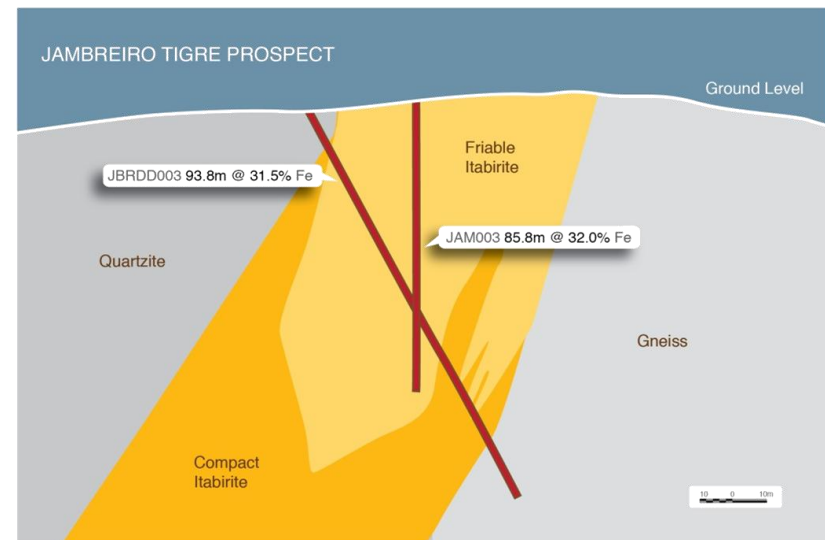
# Jambreiro Resource



- ❑ Initial Inferred resource of 77mt @ 29.5% Fe, 3.1% Al<sub>2</sub>O<sub>3</sub>, 0.04% P
- ❑ Resource remains open to the South
- ❑ Early stage gravity beneficiation tests show friable mineralisation cost effectively upgrades to a high grade product:

	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	Mass Recovery
Head Grade	32.6	51.1	1.67	0.02	
<b>Beneficiated Sample</b>	<b>63.0</b>	<b>8.2</b>	<b>0.68</b>	<b>0.01</b>	<b>48%</b>

- ❑ 6 month work Program:
  - ❑ Complete beneficiation test work
  - ❑ 3,500 metre drill program to lift resource to Indicated status
  - ❑ Pre-feasibility Study







Based on initial mass recovery, current resources will provide over 35mt of high grade product for a potential +15 year mine life

# Domestic Production - Passabem



## Project Map

-  Large City
-  Town
-  Highway
-  Road
-  Airport
-  Centaurus Project (Fe)
-  Centaurus Project (Mn)
-  Major Iron Ore Mine
-  Smelter



# Passabem Iron Ore Project (100%)

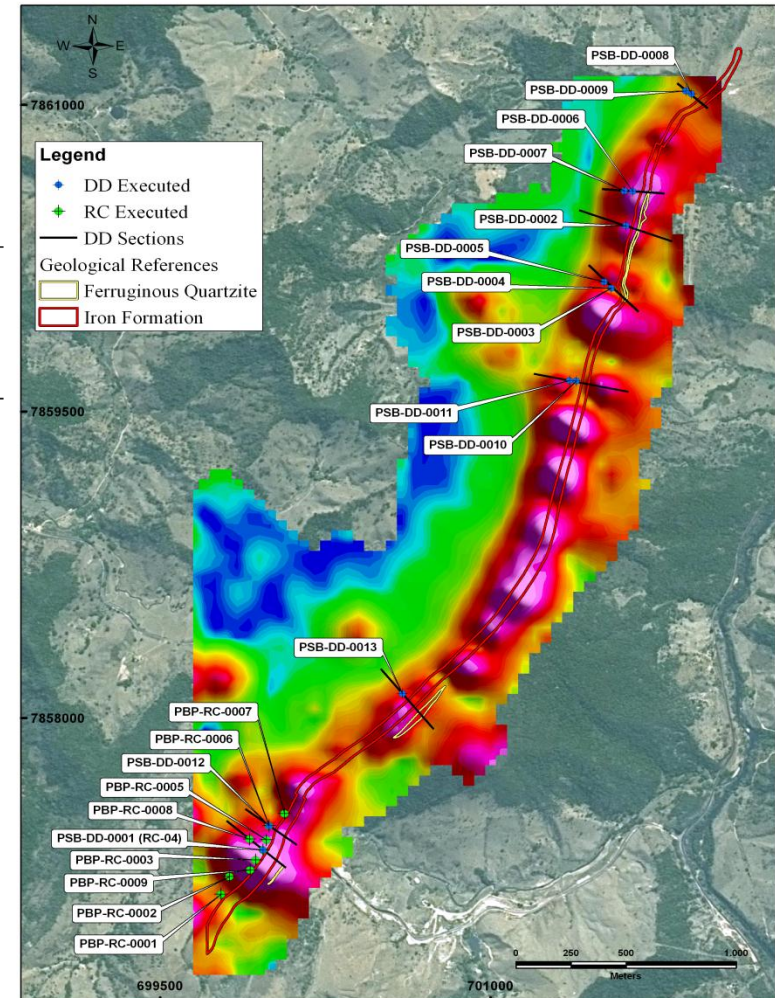


- Projected to be a 1mtpa producer of high grade iron ore.
- 39 Mt JORC Resource.

	Tonnes (Mt)	Fe%	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P%	Mn%	LOI%
Indicated	2.8	33.0	48.8	1.90	0.03	0.10	0.64
Inferred	36.2	30.9	54.0	0.74	0.07	0.06	0.09
<b>TOTAL</b>	<b>39.0</b>	<b>31.0</b>	<b>53.6</b>	<b>0.82</b>	<b>0.07</b>	<b>0.06</b>	<b>0.13</b>

Note: Estimate calculated using Inverse Distance Squared technique with a cut off of 27% Fe applied.

- Initial test work indicates low cost beneficiation to high-grade (**+66%Fe**) product.
- Ore body extends over a strike length of 5 kilometres.
- Future work programs :
  - Further beneficiation test work.
  - Commencement of pre-feasibility activities and associated studies;
  - Infill Drilling.



# Domestic Production - Itambé



## Project Map

- Large City
- Town
- Highway
- Road
- Airport
- Centaurus Project (Fe)
- Centaurus Project (Mn)
- Major Iron Ore Mine
- Smelter

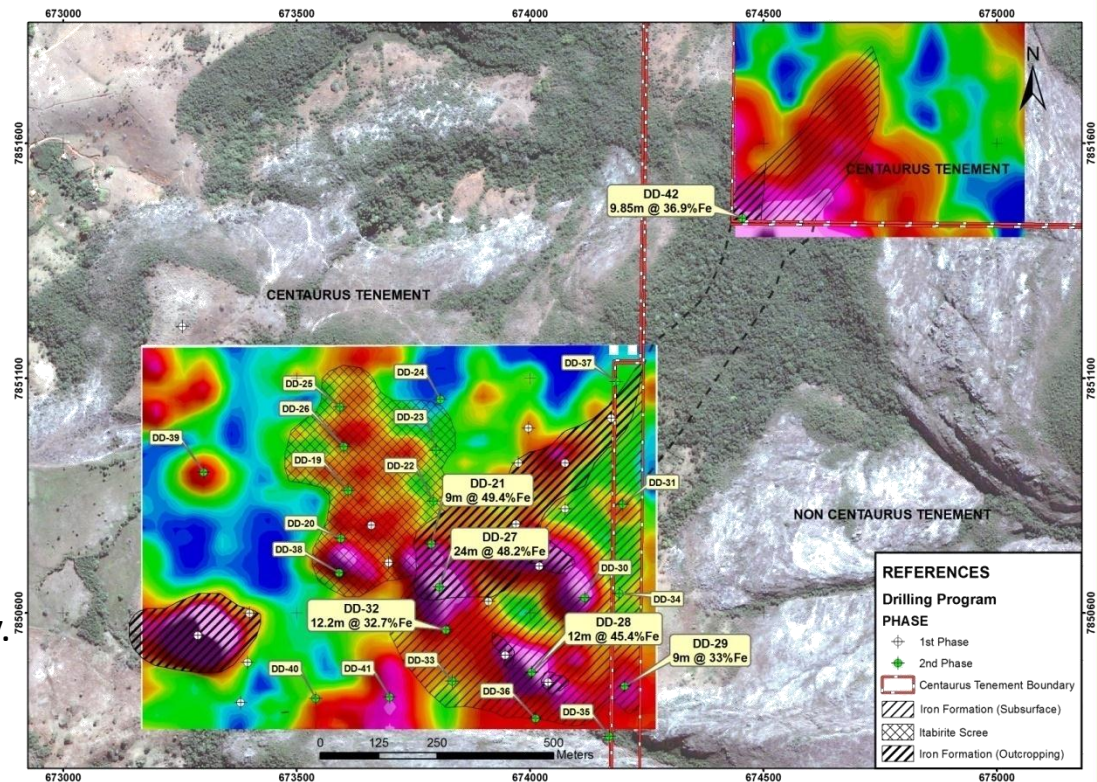




# Itambé Iron Ore Project (100%)



- Projected to be a minimum 500ktpa producer of high grade iron ore.
- Initial 15.5Mt JORC Inferred Resource beneficiates cost effectively to high-grade product.
- Initial studies from 2009 indicate total operating cost of US\$13/t with capex expected to be US\$15m.
- At 500ktpa a minimum operating cashflow of US\$20-25 million per annum is anticipated.
- Recent infill drilling completed to lift Resource category to Indicated.
- Results included:
  - 24.0m @ 48.2% Fe, 3.22% Al<sub>2</sub>O<sub>3</sub> and 0.06% P (IBP-DD-0027)
  - 12.2m @ 32.7% Fe, 0.40% Al<sub>2</sub>O<sub>3</sub> and 0.02% P (IBP-DD-0032)
  - 12.0m @ 45.4% Fe, 3.34% Al<sub>2</sub>O<sub>3</sub> and 0.05% P (IBP-DD-0028)
- New resource estimation underway.



# Resource Summary – Domestic Projects



- Centaurus has assembled a strong Project and resource base in Brazil of Itabirite mineralisation that upgrades to a high grade hematite product.

Project	Million Tonnes	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	P	LOI
Jambreiro <sup>*</sup>	77.1	29.5	51.3	3.10	0.04	1.02
Passabém <sup>**</sup>	39.0	31.0	53.6	0.82	0.07	0.13
Itambé <sup>***</sup>	15.5	37.2	39.9	3.70	0.06	2.04
<b>TOTAL</b>	<b>131.6</b>	<b>30.9</b>	<b>50.6</b>	<b>2.49</b>	<b>0.05</b>	<b>0.88</b>

*\*25% Fe cut-off grade applied \*\* 27% Fe cut-off grade applied \*\*\* No Fe cut-off grade applied*

- At a Mass Recovery of 40%, using a low cost gravity or magnetic separation process, In Situ Resources generate over 50Mt of high grade hematite product (+63% Fe).
- Detailed beneficiation work underway on all Domestic projects.
- Resource base underpins the Company's Domestic Iron Business.
- Development Capex to be low by Australian standards as little to no infrastructure costs.

# Iron Ore Export Business

## “Supplying Iron Ore to the World Market”



# Iron Ore Export Business - 2011



- ❑ 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
  
- ❑ 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
  
- ❑ Continue assessment of new project opportunities to assist in meeting export business targets



# Export Projects



## Project Map



Major Ports

Proposed Rail

City



Brazil

Project Locations



# Summary



- Highly experienced, well funded team with extensive global experience in the financing, development and operation of iron ore projects.
- Strong domestic project resource base with low Cap Ex requirements.
- Building a business to supply domestic steel mills, and in time also world markets.
- 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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