

11 December 2024

JAMBREIRO IRON ORE PROJECT AWARDED PRIORITY STATUS BY THE STATE OF MINAS GERAIS, BRAZIL

Award translates into fast-tracked environmental permitting

- **Jambreiro Iron Ore Project awarded priority status by the State of Minas Gerais due to its potential positive social and economic impact to the State.**
- **The priority status means the remaining licence renewal steps should be fast-tracked through the State regulators, supporting Centaurus' plans to re-evaluate the development of the deposit to meet growing demand for high-grade, low-impurity direct reduction pellet feed iron ore.**
- **Jambreiro had already been fully licensed from an environmental perspective in 2013.**

Centaurus Metals (ASX Code: **CTM**) is pleased to advise that the Company's 100%-owned **Jambreiro Direct Reduction Pellet Feed (DRPF) Iron Ore Project** in the State of Minas Gerais, south-eastern Brazil has been awarded priority status by the State Government for its potential positive social and economic impacts.

The Economic Development Committee in Minas Gerais, consisting of members from the main State departments, approved the inclusion of the Jambreiro DRPF Project in the list of projects to be prioritised in the environmental permitting process.

The decision was based on a structured assessment, which considers seven different criteria to grade investment projects, including but not limited to, capital investment, job creation, social and human development index of the project region and forecast project revenue. The Jambreiro DRPF Project is able to produce a high-grade (+67.5% Fe), low-impurity (Silica + Alumina < 2%) product that warrants the priority status. The permitting process for Jambreiro will be entirely completed at a state level.

The priority status means the project will be assessed diligently by environmental regulators with a view to permitting it in the shortest possible time. The State environmental agency, Supram, will also regularly report the progress of the permitting process to the State's investment department – InvestMinas – whose objective is to attract investment to the State of Minas Gerais.

As a result of this decision, the Jambreiro DRPF Project is understood to be a project that is critical to the decarbonisation of the steel industry and will now receive the same fast-tracked permitting treatment as a number of lithium projects located in the Minas Gerais Lithium Valley.

The Jambreiro Iron Ore Project had already been fully licensed back in 2013, when the Company first considered its development and commenced some limited early-stage construction works. Unfortunately, shortly after the start of the development activities, the iron price fell by more than 65% and the Company made the decision to put the project on hold.

With growing demand for high-grade, low impurity iron ore in recent years for low carbon steel, Centaurus began assessing the feasibility of producing a DRPF product from Jambreiro. Initial testwork results were very positive (see announcements from 12 March 2024 and 10 April 2024) in respect to the production of a DRPF product from Jambreiro.

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In light of these results, the Company has been reviewing previous feasibility study work and discussing the product specification with a number of potential off-takers.

While a detailed Bankable Feasibility Study on the Jambreiro Project as a sinter feed concentrate project was completed in 2012, a more recent Pre-Feasibility Study on Jambreiro was released to the market on 5 July 2019, which was subsequently updated in the June 2020 Quarterly Activities Report release on 29 July 2020.

The PFS work used an iron ore price reference price of US\$75/tonne for 62% Fe CIF China to determine mine gate prices of the sinter feed concentrate. The current reference price for high-grade (+67.5% Fe) DRPF material would be over US\$125/tonne CIF China.

The application for a renewal of the Jambreiro Preliminary License (LP) was made in September 2023, with the lodgement of a new environmental impact statement (EIA/RIMA). This updated EIA/RIMA included some important environmental advantages, as compared to the original one from 2012 including:

- Dry stacking of tailings, as opposed to disposal in a tailings dam;
- 50% reduction in the project's footprint, with 80ha of native forest being preserved; and
- Grid power supply, as opposed to diesel generation of power.

With the new priority status for Jambreiro, Centaurus expects the LP for the DRPF Project to be issued next quarter.

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