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CENTAURUS CLOSES IN ON INITIAL JORC RESOURCE AT JAMBREIRO

Significant results received from re-sampling of historical drill core and beneficiation test work produces a high grade (63% Fe) coarse sinter hematite product

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to report strong results from its 100%-owned **Jambreiro Iron Ore Project** in south-east Brazil, reinforcing its confidence in the ability of the Project to be a cornerstone of its emerging Brazilian domestic iron ore production business.

The positive results – from initial beneficiation test work, re-sampling and re-assay of historical drill core and a recently completed RC percussion and diamond resource drilling program – will pave the way for a maiden JORC resource estimate for the Jambreiro Project, which is expected in October 2010.

Re-sampling of Historical Drill Holes

The Company has received assay results from re-sampling seven historical vertical diamond holes that were drilled by Cenibra in 2007. Wide intersections of mineralisation were confirmed in most of the holes, including **85.8 metres of iron mineralisation** in Hole JAM003. Significant intersections include:

Hole JAM001	18.4 metres @ 33.1% Fe, 3.66% Al₂O₃ and 0.03% P from surface
	33.1 metres @ 35.8% Fe, 2.99% Al₂O₃ and 0.05% P from 20.4 metres
Hole JAM002	25.5 metres @ 34.2% Fe, 1.06% Al₂O₃ and 0.01% P from surface
Hole JAM003	85.8 metres @ 32.0% Fe, 4.20% Al₂O₃ and 0.03% P from surface
Hole JAM006	21.6 metres @ 30.3% Fe, 1.24% Al₂O₃ and 0.02% P from 2.4 metres
Hole JAM007	37.3 metres @ 27.5% Fe, 2.74% Al₂O₃ and 0.04% P from 51.3 metres

The ore type encountered in the drilling was predominantly coarse grained friable itabirite. Full results are set out in Appendix 1 attached.

Beneficiation Test Work

Centaurus' preliminary beneficiation test work on a 200kg bulk sample collected from five locations within the Jambreiro mineralised zone produced a 63% Fe coarse sinter hematite product with very low levels of phosphorus and alumina (See Table 1).

The average iron grade of the sample collected was 32.6% Fe from which a low cost gravity upgrade process (spirals) produced the 63% Fe sinter product. In addition, a metal recovery of better than 93% Fe to concentrate was achieved, highlighting the purity of the hematite in the Jambreiro mineralisation.

Table 1 – Beneficiation Test Work Results

	Fe %	SiO₂ %	Al₂O₃%	P%
Head Grade	32.6	51.1	1.67	0.02
Beneficiated Sample	63.0	8.2	0.68	0.01

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While this low impurity, 63% Fe coarse sinter hematite product is already highly sought after in the Brazilian domestic market, Centaurus expects that a coarse grained 65% to 66% Fe product can be achieved with some further silica liberation and minor refinement of the demonstrated gravity separation process.

Resource Drilling Program

Centaurus has recently completed an initial resource drilling program on the Jambreiro iron ore mineralisation. Results from this drilling are expected in the next four weeks. Logging of the core and RC chips has highlighted some broad intersections of itabirite up to 100 metres in width and shows a large proportion of the itabirite mineralisation encountered as being friable, coarse grained and amenable to beneficiation to a high grade hematite concentrate.

Once assay results are received from this drill program, and the main beneficiation test work is completed on the new core and RC drill chips, an initial resource estimate will be undertaken for the Jambreiro Project as a precursor to a detailed mining study.

Centaurus' Managing Director, Mr Darren Gordon, said: *"We are very pleased with the results from the Jambreiro Iron Ore Project to date and look forward to pushing ahead with development of this quality project as a centrepiece of our domestic iron ore business in Brazil.*

"We are particularly pleased with the beneficiation results which illustrate the ease with which the iron mineralisation at Jambreiro can be upgraded via a low cost gravity separation process to a high-grade saleable hematite product.

"We look forward to receiving the assays from our first phase of drilling in the coming weeks, and then being able to deliver an initial JORC resource in the coming months on what is shaping up as a very exciting project for Centaurus."

-ENDS-

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr Ian Cullen who is a Member of the AusIMM. Ian Cullen is a permanent employee of Centaurus Metals Limited. Ian Cullen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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'. Ian Cullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

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**APPENDIX 1
JAMBREIRO IRON ORE PROJECT
ASSAY RESULTS FROM HISTORICAL VERTICAL DIAMOND DRILLING – Drilled by Cenibra 2007**

Hole_ID	SAD East	SAD North	Dip	From	To	Interval	Fe	SiO ₂	Al ₂ O ₃	P	LOI
				(m)	(m)	(m)	%	%	%	%	%
JAM001	722586	7944930	-90	0.00	18.40	18.40	33.1	46.46	3.66	0.03	1.52
				20.40	53.50	33.10	35.8	43.34	2.99	0.05	1.40
				<i>Including</i> 36.00	<i>53.50</i>	<i>17.50</i>	<i>42.4</i>	<i>31.64</i>	<i>4.13</i>	<i>0.07</i>	<i>2.25</i>
JAM002	723024	7944928	-90	0.00	25.50	25.50	34.2	48.98	1.06	0.01	0.30
JAM003	722256	7945134	-90	0.00	85.80	85.80	32.0	47.59	4.20	0.03	1.49
				<i>Including</i> 0.00	<i>22.10</i>	<i>22.10</i>	<i>38.1</i>	<i>43.88</i>	<i>1.05</i>	<i>0.01</i>	<i>0.12</i>
JAM004	722214	7946240	-90	No Significant Intersection							
JAM005	721885	7946548	-90	No Significant Intersection							
JAM006	722494	7945961	-90	2.40	24.00	21.60	30.3	54.28	1.24	0.02	0.72
JAM007	721937	7945350	-90	0.00	3.20	3.20	32.0	50.67	1.87	0.03	0.69
				10.00	18.00	8.00	26.6	55.75	3.43	0.04	1.20
				26.70	35.10	8.40	27.9	50.70	5.80	0.05	2.32
				37.40	44.75	7.35	28.7	55.54	1.81	0.04	0.61
				51.35	88.60	37.25	27.5	58.14	2.74	0.04	0.84

*Jambreiro significant results, filtered for results greater than 3 metres and 25% Fe.
Intervals measured are down hole widths
All samples were analysed using an XRF fusion method with LOI at 1000 °C*