

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT  
& MEDIA RELEASE



17 February 2011

## RESOURCE UPGRADE DRILLING COMMENCES AT JAMBREIRO IRON ORE PROJECT, BRAZIL

*5,000 METRE DRILL PROGRAM UNDERWAY TO LIFT JAMBREIRO RESOURCE TO JORC INDICATED STATUS*

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that a 5,000 metre diamond and reverse circulation (RC) percussion drill campaign has commenced at the Company's flagship **Jambreiro Iron Ore Project**, located in the State of Minas Gerais, Brazil, to upgrade the status of the existing 77.1Mt JORC compliant resource estimate from the Inferred to the Indicated category.

Two diamond drill rigs have mobilised to site and have commenced drilling, with a third diamond rig scheduled to arrive within the next two weeks. The RC drill rig will mobilise to site early next week.

The current drill program follows completion of further detailed ground magnetic survey work, trenching and detailed geological mapping at Jambreiro.

The trenching program, which comprised 32 trenches for 1,500 metres, has successfully defined the footwall and hangingwall contacts of the existing resource base, with consistent intervals of iron mineralisation, between 70 and 90 metres in width, exposed across the main Tigre Prospect (*see Figure 1*). The width of mineralisation exposed at surface is consistent with previous drilling at this Prospect.

Assay results from the samples collected as part of the trenching program are expected to be available later this month.

The results of the in-fill ground magnetic survey are also particularly encouraging as they clearly demonstrate the strong correlation between the magnetic signature and the detailed geological mapping work (*see Figure 2*) undertaken by the Company's exploration team. The correlation will greatly assist the Company in targeting the ore zone during the current drilling program.

In addition, the magnetic survey work has confirmed the location of previously undrilled targets that are scheduled to be drilled in the upcoming work campaign.

The analysis of the recent work programs, when combined with the detailed drill information obtained from the Company's previous drill program, provide Centaurus with a high level of confidence that the current drill campaign will, at a minimum, allow the Company to upgrade the majority of the existing 77.1 Mt resource estimate at Jambreiro from JORC Inferred to Indicated category.

**-ENDS-**

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### Competent Person's Statement

The information in this report 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.

**Figure 1 – Photos Showing Trenching across the Ore Zone at Tigre Prospect, Jambreiro.**





Figure 2 - Jambreiro Iron Ore Project Showing Drill Hole Locations over New Ground Magnetic Survey

