

17 April 2012

STRONG DRILLING RESULTS TO UNDERPIN FEASIBILITY STUDY ON JAMBREIRO IRON ORE PROJECT

RESOURCE UPGRADE DUE NEXT MONTH AS CENTAURUS PUSHES TOWARDS FIRST PRODUCTION IN LATE 2013

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to report that the Bankable Feasibility Study on its 100 per cent-owned Jambreiro Iron Ore Project in Brazil has been strengthened by outstanding results from the recently completed RC in-fill drilling campaign.

The results, which are the first received from the in-fill program, highlight the quality and consistency of the key Tigre and Cruzeiro deposits. These deposits will be the basis of Jambreiro's initial development ahead of production at the end of next year.

The current JORC Resource estimate at Jambreiro stands at **116.5 million tonnes** grading 26.8% Fe (Measured, Indicated and Inferred). The in-fill program has strengthened the Company's confidence in the resource and will lead to an up-grade of the resource by the end of May. This upgrade will focus primarily on upgrading the respective categories of the resource, rather than increasing the overall quantity.

This revised resource will form the basis of the Bankable Feasibility Study (BFS), which is underway.

Recently completed pilot plant testwork has shown that the friable itabirite ore, with a head grade consistent with the overall Resource base, can be upgraded to a **65.6% Fe product with low impurities (2.8% SiO₂, 0.9% Al₂O₃ and 0.01% P)** using a simple magnetic separation process.

The first results from the in-fill program include a continuous interval of **106.0 metres at 30.7% Fe** from 27.0 metres in drill hole JBR-RC-12-0114. This intersection represents the widest continuous interval recorded to date at the project.

The in-fill drilling program focussed on the mineralisation which will underpin the first four years of production from the Tigre and Cruzeiro Deposits.

The Tigre Deposit

Highlights of the recent results from the Tigre Deposit (Figure 1) include the following continuous intervals (see attached Appendix A for a full list of recent drilling intersections from the Tigre Deposit):

- **106.0 metres @ 30.7% Fe, 3.6% Al₂O₃ and 0.03% P** from 27.0 metres in Hole JBR-RC-12-0114
- **87.0 metres @ 32.3% Fe, 4.3% Al₂O₃ and 0.04% P** from 23.0 metres in Hole JBR-RC-12-0118
- **59.0 metres @ 32.9% Fe, 3.8% Al₂O₃ and 0.03% P** from 15.0 metres in Hole JBR-RC-12-0121
- **55.0 metres @ 34.2% Fe, 1.9% Al₂O₃ and 0.03% P** from surface in Hole JBR-RC-12-0120
- **53.0 metres @ 32.7% Fe, 4.0% Al₂O₃ and 0.03% P** from 49.0 metres in Hole JBR-RC-12-0122
- **45.0 metres @ 35.5% Fe, 2.8% Al₂O₃ and 0.04% P** from 15.0 metres in Hole JBR-RC-12-0137
- **38.0 metres @ 36.9% Fe, 3.5% Al₂O₃ and 0.02% P** from surface in Hole JBR-RC-12-0138
- **33.0 metres @ 39.6% Fe, 2.9% Al₂O₃ and 0.05% P** from 24.0 metres in Hole JBR-RC-12-0123
- **30.0 metres @ 38.5% Fe, 2.6% Al₂O₃ and 0.04% P** from 7.0 metres in Hole JBR-RC-12-0140
- **22.0 metres @ 38.8% Fe, 3.2% Al₂O₃ and 0.03% P** from surface in Hole JBR-RC-12-0136

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



Many holes contain particularly wide intersections of a higher grade nature than seen in previous drilling. Drill holes JBR-RC-12-0114 (106.0m at 30.7% Fe) and JBR-RC-12-0118 (87.0m at 32.3% Fe) in particular demonstrate excellent continuity of wide and relatively high-grade friable ore from near surface in the heart of the Tigre Deposit.

The southern extension of the Tigre Deposit continues to deliver higher grade friable mineralisation from surface, demonstrated in drill holes JBR-RC-12-0138 (38.0m at 36.9% Fe) and JBR-RC-12-0136 (22.0m at 38.8% Fe). This zone continues to present the best start up option for mining, with higher grades of ore at or near surface with favourable strip ratios.

The Cruzeiro Deposit

Highlights of the recent results from the Cruzeiro Deposit (Figure 1) include the following continuous intervals (*see attached Appendix B for a full list of recent drilling intersections from the Cruzeiro Deposit*):

- **30.0 metres @ 33.9% Fe, 2.3% Al₂O₃ and 0.02% P** from surface in Hole JBR-RC-12-0127
- **27.0 metres @ 36.0% Fe, 3.3% Al₂O₃ and 0.03% P** from 4.0 metres in Hole JBR-RC-12-0128
- **24.0 metres @ 33.3% Fe, 5.1% Al₂O₃ and 0.07% P** from 6.0 metres in Hole JBR-RC-12-0125
- **22.0 metres @ 32.7% Fe, 1.5% Al₂O₃ and 0.01% P** from surface in Hole JBR-RC-12-0126

Results from the Cruzeiro Deposit continue to highlight the shallow, relatively high-grade nature of the deposit. The mineralisation at Cruzeiro dips sub-parallel to the natural surface and when combined with the southern extension of the Tigre Deposit will provide excellent low strip ratio material for the planned start-up of mining.

Resource and BFS Study Up-date

All resource drilling at the Jambreiro Project was completed in March. The drilling will convert the majority of the mineralisation earmarked for the first four years of production into JORC Measured Resources, comprehensively covering the estimated two-year project payback period.

All drill samples have now been submitted to the Intertek laboratory with results expected by early May. The Company is well advanced in the data validation and geological interpretation of the deposits at Jambreiro and the new JORC Resource estimate is on schedule to be completed by the end of May.

A comprehensive program of metallurgical sampling was undertaken at the start of the year with samples covering the quarter-by-quarter current mining sequence for the first four years of production. Following the successful initial pilot plant program referred to above, a significantly larger sample of Jambreiro ore is now being prepared for an extended pilot plant test work program.

The new JORC Resource base will form the platform for a new JORC Ore Reserve estimate and mine planning that will feed into the Jambreiro BFS which is underway and due for completion in September 2012.

A diamond rig has been mobilized to the Jambreiro Project to start the geotechnical drill program required as part of the BFS. Centaurus has engaged WALM Engenharia e Tecnologia Ambiental Ltda to supervise the geotechnical drilling and provide input into the BFS on geotechnical, water and waste management matters. WALM is a Brazilian based engineering group with extensive experience in engineering, design and execution studies of several mines in the Iron Quadrangle region of Brazil that have similar characteristics to the Jambreiro project.

**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**



Centaurus' Managing Director, Mr Darren Gordon, said the latest results were outstanding and would further strengthen the economics of the Jambreiro Project.

"The widths and grade of mineralisation coming from the friable ore are particularly encouraging and provide great confidence that we have a resource base that will form the foundation of a long life mining operation," Mr Gordon said.

"The pilot plant work has shown that we can produce a high-grade sinter product from the Jambreiro ore that will be highly sought after in the domestic steel industry in Brazil. The BFS that is underway is expected to confirm the strong economics that were delivered in the Pre-Feasibility completed in November last year."

-ENDS-

Released By:

Paul Armstrong
Read Corporate
Mb: (+61) 421 619 084
Tel: (+61-8) 9388 1474

On behalf of:

Mr Darren Gordon
Managing Director
Centaurus Metals Ltd
Tel: (+61-8) 9420 4000

Competent Person's Statement

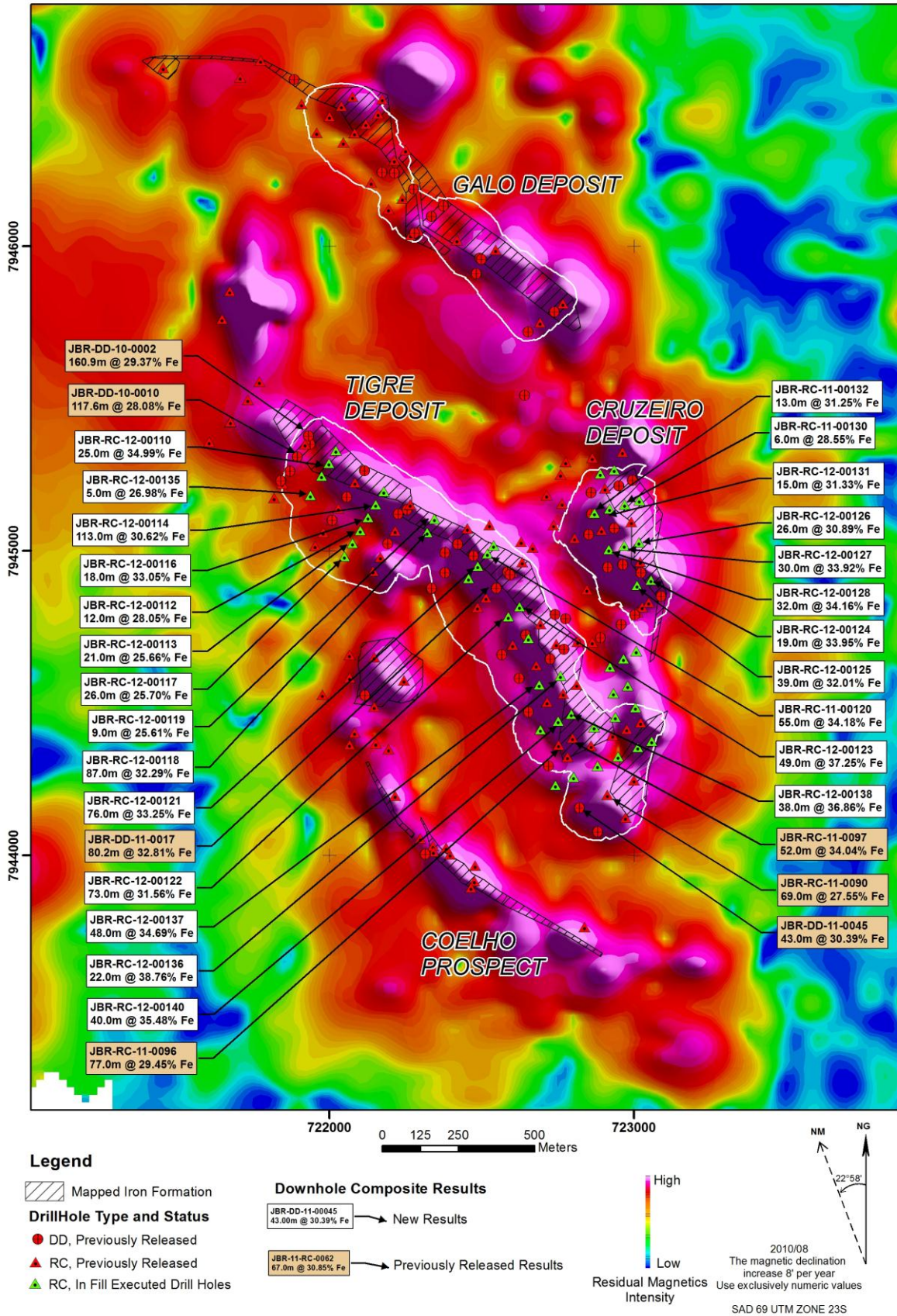
The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge 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.

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE



Figure 1 – Jambreiro Prospect Map with Recent 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

**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**



Appendix A – Jambreiro Iron Ore Project – Tigre Deposit - New RC Hole Results – April 2012

DOWN-HOLE INTERSECTIONS - TIGRE DEPOSIT - JAMBREIRO - RC

Hole ID	SAD East	SAD North	mRL	Dip	Azi	Final Depth(m)	From (m)	To (m)	Downhole width (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
JBR-RC-12-000109													
JBR-RC-12-000109	722021	7945328	865	-60	30	110	NO SIGNIFICANT INTERSECTION						
JBR-RC-12-000110							12.00	23.00	11.00	34.11	48.99	1.81	0.04
JBR-RC-12-000110							36.00	50.00	14.00	35.68	46.65	1.50	0.05
JBR-RC-12-000110	721998	7945287	867	-60	30	50	Downhole composite		25.00	34.99	47.68	1.64	0.05
JBR-RC-12-000111													
JBR-RC-12-000111	721975	7945246	866	-60	30	50	NO SIGNIFICANT INTERSECTION						
JBR-RC-12-000112							6.00	18.00	12.00	28.05	52.58	4.74	0.03
JBR-RC-12-000112	722102	7945066	894	-60	30	50	Downhole composite		12.00	28.05	52.58	4.74	0.03
JBR-RC-12-000113							1.00	22.00	21.00	25.66	56.95	4.07	0.03
JBR-RC-12-000113	722076	7945024	891	-60	30	30	Downhole composite		21.00	25.66	56.95	4.07	0.03
JBR-RC-12-000114							0.00	7.00	7.00	28.84	48.79	5.91	0.04
JBR-RC-12-000114							27.00	133.00	106.00	30.73	50.42	3.63	0.03
JBR-RC-12-000114	722153	7945151	901	-60	30	140	Downhole composite		113.00	30.62	50.32	3.77	0.03
JBR-RC-12-000115													
JBR-RC-12-000115	722179	7945194	901	-60	30	30	NO SIGNIFICANT INTERSECTION						
JBR-RC-12-000116							0.00	18.00	18.00	33.05	46.56	3.66	0.04
JBR-RC-12-000116	722127	7945109	899	-60	30	30	Downhole composite		18.00	33.05	46.56	3.66	0.04
JBR-RC-12-000117							0.00	8.00	8.00	24.80	54.42	6.02	0.04
JBR-RC-12-000117							10.00	18.00	8.00	30.88	53.75	1.65	0.02
JBR-RC-12-000117							19.00	29.00	10.00	22.29	60.26	5.41	0.02
JBR-RC-12-000117	722050	7944981	887	-60	30	45	Downhole composite		26.00	25.70	56.46	4.44	0.03
JBR-RC-12-000118							23.00	110.00	87.00	32.29	46.46	4.30	0.04
JBR-RC-12-000118	722321	7945059	935	-60	40	110	Downhole composite		87.00	32.29	46.46	4.30	0.04
JBR-RC-12-000119							0.00	4.00	4.00	30.65	45.12	7.25	0.03
JBR-RC-12-000119							18.00	23.00	5.00	21.58	61.80	5.04	0.02
JBR-RC-12-000119	722345	7945105	929	-60	40	40	Downhole composite		9.00	25.61	54.39	6.02	0.02
JBR-RC-12-000120							0.00	55.00	55.00	34.18	48.40	1.88	0.03
JBR-RC-12-000120	722520	7944990	957	-60	30	55	Downhole composite		55.00	34.18	48.40	1.88	0.03
JBR-RC-12-000121							15.00	74.00	59.00	32.95	47.54	3.78	0.03
JBR-RC-12-000121							77.00	81.00	4.00	29.84	54.10	1.97	0.04
JBR-RC-12-000121							85.00	98.00	13.00	35.62	40.25	5.60	0.05
JBR-RC-12-000121	722488	7944949	972	-70	35	100	Downhole composite		76.00	33.25	46.63	3.99	0.04
JBR-RC-12-000122							23.00	26.00	3.00	26.01	61.16	1.59	0.01
JBR-RC-12-000122							30.00	43.00	13.00	30.53	52.40	3.04	0.02
JBR-RC-12-000122							49.00	102.00	53.00	32.66	47.93	4.01	0.03
JBR-RC-12-000122							108.00	112.00	4.00	24.47	55.95	6.16	0.07
JBR-RC-12-000122	722588	7944783	1013	-60	50	120	Downhole composite		73.00	31.56	49.71	3.85	0.03
JBR-RC-12-000123							0.00	16.00	16.00	32.39	46.82	4.77	0.02
JBR-RC-12-000123							24.00	57.00	33.00	39.60	38.90	2.94	0.05
JBR-RC-12-000123	722625	7944816	1004	-60	50	90	Downhole composite		49.00	37.25	41.49	3.54	0.04
JBR-RC-12-000135							25.00	30.00	5.00	26.98	54.42	4.84	0.03
JBR-RC-12-000135	721939	7945181	864	-60	30	45	Downhole composite		5.00	26.98	54.42	4.84	0.03
JBR-RC-12-000136							0.00	22.00	22.00	38.76	39.74	3.19	0.03
JBR-RC-12-000136	722760	7944589	1008	-60	60	50	Downhole composite		22.00	38.76	39.74	3.19	0.03
JBR-RC-12-000137							0.00	3.00	3.00	21.77	56.82	8.15	0.04
JBR-RC-12-000137							15.00	60.00	45.00	35.55	45.35	2.78	0.04
JBR-RC-12-000137	722690	7944560	984	-60	60	75	Downhole composite		48.00	34.69	46.06	3.12	0.04
JBR-RC-12-000138							0.00	38.00	38.00	36.86	42.57	3.53	0.02
JBR-RC-12-000138	722795	7944463	987	-60	60	50	Downhole composite		38.00	36.86	42.57	3.53	0.02
JBR-RC-12-000140							0.00	3.00	3.00	31.04	50.30	3.47	0.08
JBR-RC-12-000140							7.00	37.00	30.00	38.52	40.56	2.56	0.04
JBR-RC-12-000140							43.00	50.00	7.00	24.36	60.55	3.63	0.01
JBR-RC-12-000140	722751	7944441	962	-60	60	60	Downhole composite		40.00	35.48	44.79	2.81	0.04

**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**



Appendix B – Jambreiro Iron Ore Project – Cruzeiro Deposit - New RC Hole Results – April 2012

DOWN-HOLE INTERSECTIONS - CRUZEIRO DEPOSIT- JAMBREIRO - RC													
Hole ID	SAD East	SAD North	mRL	Dip	Azi	Final Depth(m)	From (m)	To (m)	Downhole width (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
JBR-RC-12-000124							0.00	16.00	16.00	34.58	48.55	1.50	0.02
JBR-RC-12-000124							24.00	27.00	3.00	30.55	51.98	3.07	0.04
JBR-RC-12-000124	723056	7944903	964	-80	70	40	Downhole composite		19.00	33.95	49.09	1.75	0.02
JBR-RC-12-000125							6.00	30.00	24.00	33.31	43.82	5.06	0.07
JBR-RC-12-000125							34.00	49.00	15.00	29.92	52.59	2.96	0.04
JBR-RC-12-000125	723010	7944885	952	-80	70	65	Downhole composite		39.00	32.01	47.19	4.25	0.06
JBR-RC-12-000126							0.00	22.00	22.00	32.73	51.23	1.54	0.01
JBR-RC-12-000126							36.00	40.00	4.00	20.77	35.00	21.72	0.10
JBR-RC-12-000126	723017	7945027	951	-60	75	50	Downhole composite		26.00	30.89	48.73	4.65	0.03
JBR-RC-12-000127							0.00	30.00	30.00	33.92	48.35	2.31	0.02
JBR-RC-12-000127	722969	7945016	945	-60	75	50	Downhole composite		30.00	33.92	48.35	2.31	0.02
JBR-RC-12-000128							4.00	31.00	27.00	36.00	42.66	3.34	0.03
JBR-RC-12-000128							39.00	44.00	5.00	24.24	52.25	5.29	0.03
JBR-RC-12-000128	722918	7945004	927	-60	75	65	Downhole composite		32.00	34.16	44.15	3.65	0.03
JBR-RC-12-000129													
JBR-RC-12-000129	723018	7945165	927	-60	75	20	NO SIGNIFICANT INTERSECTION						
JBR-RC-12-000130							0.00	6.00	6.00	28.55	55.58	2.58	0.02
JBR-RC-12-000130	722970	7945151	923	-60	75	30	Downhole composite		6.00	28.55	55.58	2.58	0.02
JBR-RC-12-000131							0.00	15.00	15.00	31.33	52.53	1.93	0.03
JBR-RC-12-000131	722920	7945137	915	-60	75	45	Downhole composite		15.00	31.33	52.53	1.93	0.03
JBR-RC-12-000132							8.00	21.00	13.00	31.25	53.28	1.40	0.02
JBR-RC-12-000132	722872	7945123	901	-60	75	35	Downhole composite		13.00	31.25	53.28	1.40	0.02
JBR-RC-12-000133													
JBR-RC-12-000133	722936	7945266	890	-90	0	13	NO SIGNIFICANT INTERSECTION						
JBR-RC-12-000134													
JBR-RC-12-000134	722890	7945252	883	-90	0	15	NO SIGNIFICANT INTERSECTION						

*Intervals calculated using a 20% Fe cut-off grade with 3 metre minimum mining width
All samples were analysed using an XRF fusion method with LOI at 1000^oC*