AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
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CENTAURUS DELIVERS INTERIM JORC RESOURCE UPGRADE FOR JAMBREIRO IRON ORE PROJECT

DRILLING OF SOUTH EAST EXTENSION ZONE CONTINUES – DRILLING & SCOPING STUDY RESULTS DUE IN JULY

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to announce an interim upgrade to the JORC resource estimate for its 100% owned **Jambreiro Iron Ore Project**, located in the State of Minas Gerais, Brazil following the completion of successful in-fill drilling on the main Tigre Prospect area.

The JORC Resource estimate (combined Measured, Indicated and Inferred) now stands at **70.6 million tonnes at an average grade of 28.0% Fe.** This JORC Resource upgrade and recent beneficiation test work at Jambreiro, demonstrating that the friable mineralisation can be upgraded to a +65% Fe hematite product, confirms the potential of the Jambreiro Project to become a cornerstone of the Company's domestic iron ore production business in Brazil.

Importantly, more than 50% of the resource – a total of **35.2 million tonnes grading 28.3% Fe** – has now been classified in the Measured and Indicated categories, providing a substantial increase in the Company's overall confidence level in the resource base. This is the first time Centaurus has been able to define both Measured and Indicated Resources as part of the overall resource base at Jambreiro.

In-fill drilling is continuing on the Cruzeiro, Galo and Coelho Prospects at Jambreiro as well as the South East Extension Zone of the main Tigre Prospect (Figure 1). This drilling is expected to underpin a further upgrade to the resource classification and lead to an overall increase in the resource tonnage by September 2011.

The Jambreiro JORC Mineral Resource estimate is set out in Table 1 below with additional technical details of the resource provided in Appendix A:

Table 1 – Jambreiro Iron Ore Project – June 2011 Resource Estimate

JORC Category	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
Measured	6.0	29.7	49.3	4.7	0.04	1.9
Indicated	29.2	28.0	51.6	4.1	0.04	1.4
Measured + Indicated	**35.2**	**28.3**	**51.2**	**4.2**	**0.04**	**1.5**
Inferred	35.4	27.7	51.7	3.6	0.05	1.1
TOTAL	**70.6**	**28.0**	**51.5**	**3.9**	**0.05**	**1.3**

20% Fe Cut-off

At this stage, the resource upgrade only includes new results from in-fill drilling completed on the Tigre Prospect. Drilling at the South East Extension Zone of the Tigre Prospect (*see Figure 1*) is continuing to prove up additional strike length to the main Tigre Prospect outside the current resource estimate. In this area drilling has encountered shallow, +40 metre wide intersections of friable itabirite mineralisation which is expected to extend the Tigre resource by at least another 400 metres.

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Beneficiation test work completed to date has demonstrated that friable mineralisation at Jambreiro can be upgraded to a +65% Fe sinter feed product with a 50% mass recovery using dry Magnetic Separation or a +63% Fe sinter feed product with a 48% mass recovery using a low-cost gravity separation process. Test work on the compact mineralisation has shown that a low grade feed of 25% Fe can be upgraded to a +66% Fe combined sinter and pellet product with a 35% mass recovery.

As a result of this test work, the cut-off grade used for the resource estimation has been reduced from 25% Fe to 20% Fe. Test work on the friable mineralisation at lower feed grades is ongoing but is expected to produce a high grade hematite product.

The Jambreiro Project has very good access to existing local infrastructure and is well located approximately 130km from the city of Ipatinga, home to Usiminas' existing 4.5Mtpa steel mill. Arcelor Mittal also has major steel operations, within the same general radius, at the João Monlevade blast furnace and Timoteo stainless steel plant.

The Tigre Prospect

The Jambreiro Iron Ore Project consists of multiple zones of itabirite-hosted mineralisation. The principal zones have been identified as the Tigre, Cruzeiro and Galo Prospects (*see Figure 1*). Table 2 below outlines the current resource base, estimated for each individual prospect:

Table 2 - Jambreiro Resource Estimate – June 2011 – By Prospect

Prospect	JORC Category	Million Tonnes	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
Tigre	Measured	6.0	29.7	49.3	4.7	0.04	1.9
	Indicated	29.2	28.0	51.6	4.1	0.04	1.4
	Measured + Indicated	**35.2**	**28.3**	**51.2**	**4.2**	**0.04**	**1.5**
	Inferred	26.0	26.9	52.2	3.8	0.05	1.0
	TOTAL	**61.2**	**27.7**	**51.7**	**4.0**	**0.05**	**1.3**
Cruzeiro	Inferred	6.3	30.2	51.2	2.7	0.04	1.5
Galo	Inferred	3.1	28.7	48.1	3.9	0.03	1.4
TOTAL	**TOTAL**	**70.6**	**28.0**	**51.5**	**3.9**	**0.05**	**1.3**

20% Fe Cut-off

With a total resource of 61.2Mt grading 27.7% Fe, including 35.2Mt at 28.3% Fe of Measured and Indicated Resources, the Tigre Prospect represents 85% of the Resource base at Jambreiro and will be the main focus of activities as the project develops. The Tigre Prospect is a continuous zone of itabirite mineralisation with a current strike length of some 1.2 kilometres and an average true width of between 40 to 80 metres.

A total of 58 holes have been drilled for a total of 6,500 metres to define this interim resource estimate. The Indicated Resource has been drilled on a 200 metre x 50 metre spacing. The Inferred Resource is mostly down plunge (deeper) extensions of the Indicated Resource.

The outcropping Tigre mineralisation is coarse-grained and friable and continues to a depth of 80 metres before becoming more compact. Figure 2 attached shows a cross-section through the Tigre deposit. The in-fill drilling has identified 100% more friable mineralisation at depth than the previous resource estimate. Table 3 below shows the split of friable and compact ore for the Tigre Prospect only.

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Table 3 – Comparison of Tigre Prospect Resource Base by Material Type – 2011 versus 2010

	2011 Resource Estimate		2010 Resource Estimate	
Mineralisation Type	**Million Tonnes**	**Fe %**	**Million Tonnes**	**Fe %**
Friable	21.9	28.8	9.5	32.0
Compact	39.3	27.1	59.5	28.9
TOTAL	**61.2**	**27.7**	**69.0**	**29.3**

Of the 21.9Mt of friable mineralisation, the in-fill drilling successfully converted 80% (17.5Mt at 29.3% Fe) to Measured and Indicated status. The extent of the friable mineralisation is expected to increase as results from the drilling of the South East Extension Zone of the Tigre Prospect are received. Results from these drill holes are due in the coming weeks and will feed into the next resource up-date planned for September 2011.

Preliminary open pit optimisation work is underway as part of the current Scoping Study work. The geometry and material characteristics of the Tigre mineralisation indicate the potential for a low strip ratio and low-cost open cut mining operation.

Cruzeiro and Galo Prospects

In addition to the 21.9Mt of friable mineralisation at the Tigre Prospect, the Cruzeiro and Galo Prospects have a further 9.4Mt at 29.7% Fe of friable mineralisation previously defined in the Inferred Resource category.

A further 31 holes have been drilled for a total of 1,900 metres on the Cruzeiro and Galo Prospects to convert these resources to Indicated status and to extend the strike of the known mineralisation. Drilling results from these satellite prospects will feed into the September 2011 resource update.

Future Work Program

Three separate exploration programs are continuing at the Jambreiro Project which are designed to add resources to the current resource base. These programs include:

- drilling at the Tigre Prospect South East Extension Zone;
- drilling to convert Inferred Resources to Indicated status within or near the current limits of the planned open pit at the Tigre Prospect; and
- drilling of the Cruzeiro, Galo and Coelho Prospect areas.

Centaurus' Managing Director, Mr Darren Gordon, said: "*We are pleased to report an updated resource estimate for the Jambreiro Project which has resulted in the conversion of a significant portion of the resource into the Measured and Indicated categories for the first time. The Project has progressed rapidly over the last 12 months and we are now close to completing a Scoping Study which we expect will demonstrate the financial robustness of the Project as a cornerstone of our emerging domestic iron ore business in Brazil.*

"The interim Resource upgrade provides us with great confidence that the main Tigre Prospect at Jambreiro will form the foundation for our first production opportunity as we progress our development plans to be producing 3 Mtpa of high grade hematite for the Brazilian domestic steel industry by the end of 2013.

"As we complete drilling on the other prospect areas at Jambreiro we are seeing new zones of itabirite mineralisation which we expect will be converted to new resources by September this year, over and above those which have currently been defined."

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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.

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Figure 1
Jambreiro Iron Ore Project Showing Drill Hole Locations and Prospects over Ground Magnetic Survey

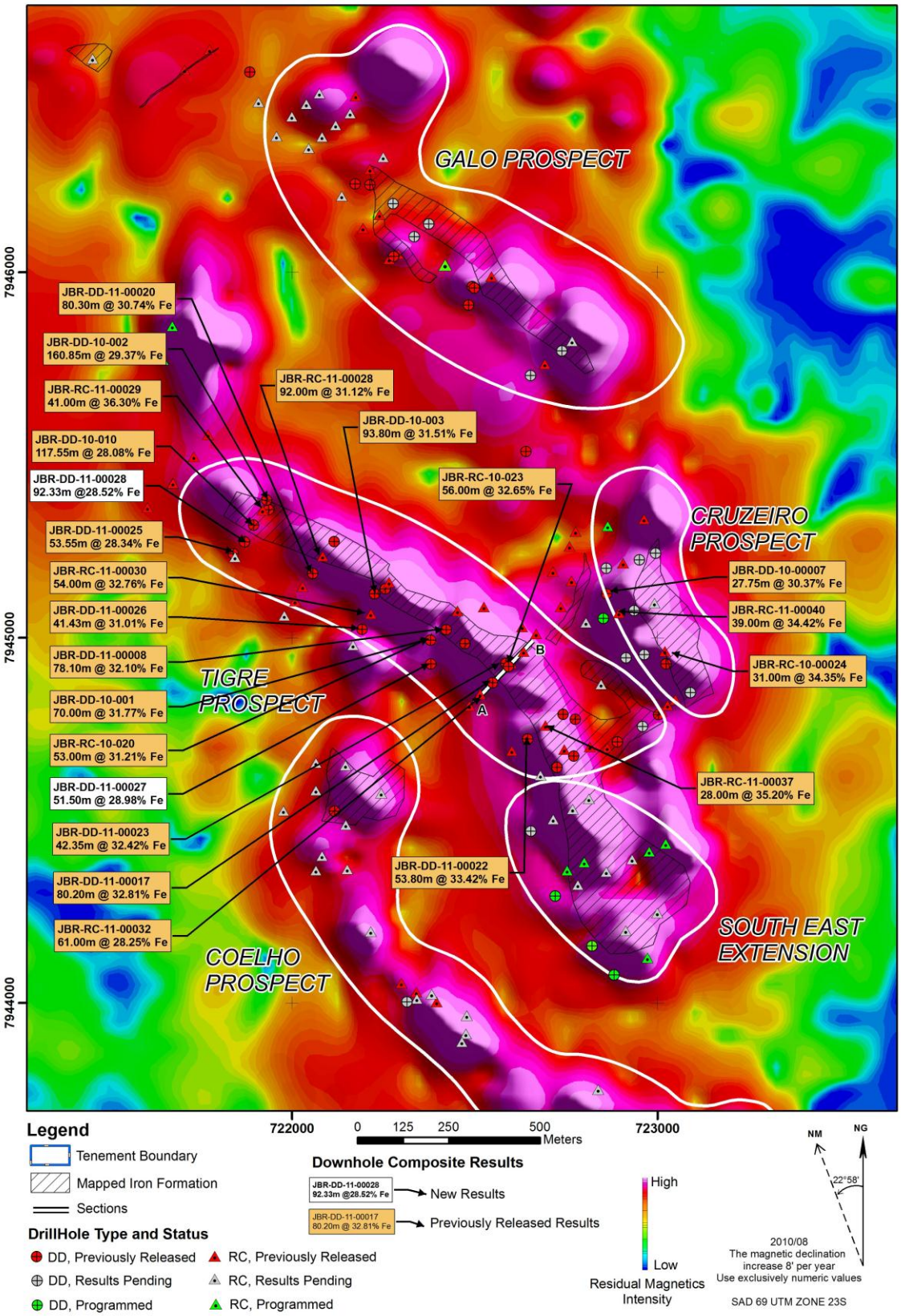

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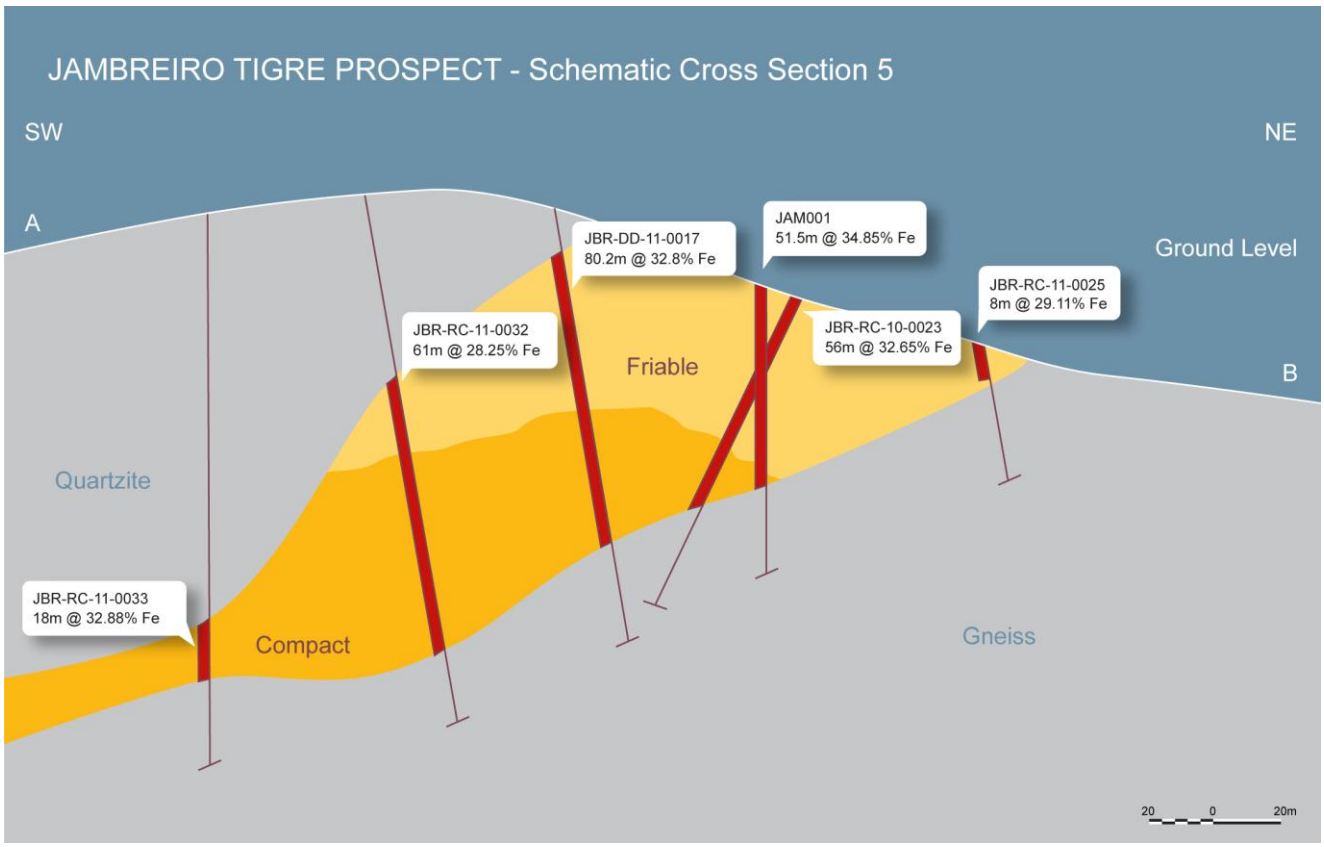
Figure 2 – Tigre Prospect Cross Section 5 Showing Material Type



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Appendix A – Details of the Jambreiro Resource Estimate

General Information	
Project Name	Jambreiro Iron Ore Project
Deposit Names	Tigre Prospect, Galo Prospect, Cruzeiro Prospect
Location	Located approximately 180 Km NE of BH and 23Km North of Guanhães.
Geological Description	The Jambreiro Project is located within the Guanhães Group of the Mantiqueira Complex. The region is structurally complex with duplex fault systems and complex folding ranging from micro folding in outcrop to large scale regional deformation.
	The Itabirite unit is part of an iron formation including ferruginous quartzites and quartzites hosted within a metasedimentry sequence. This sequence is emplaced in regional gneissic basement.
	The Itabirite mineralisation comprises concentrations of medium - coarse grained friable and compact material that have undergone enrichment. The mineralisation is composed of quartz, hematite, magnetite, amphibole (Grunerite), Mica (muscovite) and feldspar (albite)
	Itabirite thicknesses vary from 5m to up to 80m thick within the Tigre prospect. Itabirite has been intersected at depths up to 250m.
Spatial Limits of Resource: Total Resource Area	721658mE to 722796mE
	7944580mN 7945438mN
	550mRL to 1001mRL (surface)
Resource Base	Tigre Prospect – max depth of 150m from base of drilling.
	Galo and Cruzeiro Prospects – max depth of 150m below surface.
Responsibilities	
Data Collection	Centaurus Metals
Data Management	Centaurus Metals
Data Validation	Centaurus Metals and BNA Consultoria
Geological Interpretation	Centaurus Metals
Resource Modelling	BNA Consultoria
Geological Interpretation	
Geological Software	Micromine 12.0
Lithological Boundaries	Boundaries defined through Geological logging and chemical analysis
Mineralisation Boundaries	Boundaries defined through Geological logging and chemical analysis
Material Type Boundaries	Material types defined through Geotechnical logging. In particular, friability tests.

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Bulk Density Measurements		
Method		
Compact	Immersion method using full core	
Friable	Volume/ Mass method and in situ Bulk density method	
Number of samples	In situ = 15	
	Volume Mass = 68	
	Water Displacement = 188	
Bulk Density Values		
Material Type	**Bulk Density (t/m^3)**	**No. Of Samples**
Itabirite Compact	3.00	100
Itabirite Friable	2.18	58
Quartzite	2.77	24
Amphibolite	2.57	40
Schist	1.56	25
Gneiss	2.63	9
Total Waste	2.36	98

Drilling		
	Holes	**Metres**
Historical DDH	18	1,765
DDH	25	2,388
RC	15	2,465
Total	58	6,618
Survey		
Grid System	SAD_69 23S	
Collar Survey	Total survey collars for all drill holes	
DH Survey	No down hole surveys have been completed	
Sampling		
Type and Method	1m samples for RC and DDH. 3m composites taken within waste material	
DDH	Half core sampling to lithological boundaries.	
RC	One metre samples. Samples homogenised after leaving cyclone and split.	
Sample Preparation and Chemical Analysis		
Laboratory	Sample preparation carried out at Intertek's sample preparation lab in BH	
	Analysis of pulps carried out in Intertek's analysis lab in Sao Paulo	
Physical Sample Prep		
DDH	Cutting, Crushing, Drying, Pulverising, Splitting	
RC	Drying, Crushing, Pulverising, Splitting	
Analytical Method	Metal Oxide determination through X-RAY Florescence (XR21L) Oxide and elemental analyses including Fe, SiO_2, Al_2O_3,P, Mn, TiO_2, CaO, MgO, K_2O, Na_2O and Cr_2O_3. FeO by a Volumetric Determination (VL3) and LOI using Loss Determination by Gravity	
Elements	Fe, SiO_2, Al_2O_3,P, Mn, TiO_2, CaO, MgO, K_2O, Na_2O, Cr_2O_3 and FeO	
QAQC	136 Duplicate, 107 Standards across all batches. Standards inserted every 50 samples, duplicates every 20.	

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Block Model Parameters			
Estimation Method	Ordinary Kriging (OK) and Inverse distance squared (ID^2)		
	Y	**X**	**Z**
Parent Block Sizes	25m	25m	25m
Sub Block Sizes	2.5m	2.5m	2.5m
Attributes:			
Rock_code	(Itb_F, Itb_C and Waste)		
OB	Model Name		
Fe%	Fe Grade, OK, ID^2		
SiO_2%	SiO_2% Grade, OK, ID^2		
Al_2O_3%	Al_2O_3% Grade, OK, ID^2		
P%	P% Grade, OK, ID^2		
LOI%	LOI , OK, ID^2		
CLASS	Resource Classification Class		
Density	Bulk Density of Itb_C, Itb_F and waste		

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