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CENTAURUS TO DRILL G100 IRON ORE TARGET

*NEW GREENFIELDS EXPLORATION TARGET 15KM NORTH OF JAMBREIRO IRON ORE PROJECT COMPRISES
LARGE MAGNETIC ANOMALY WITH +30KM OF STRIKE IN SIMILAR GEOLOGICAL SETTING*

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that exploration drilling is scheduled to commence within the next few weeks at a new greenfields exploration target, the **G100 Project**, located 15km north of its flagship Jambreiro Iron Ore Project in south-east Brazil.

The upcoming drilling, comprising an initial 2,500 metres of Reverse Circulation (RC) drilling, follows a recent mapping program and completion of a detailed ground magnetic survey in August. This survey has confirmed the strength and scale of the large regional aeromagnetic signature at the G100 Project, which is a conceptual iron formation target in the form of a closed fold located in a similar geological setting to Jambreiro (see Figure 1 below).

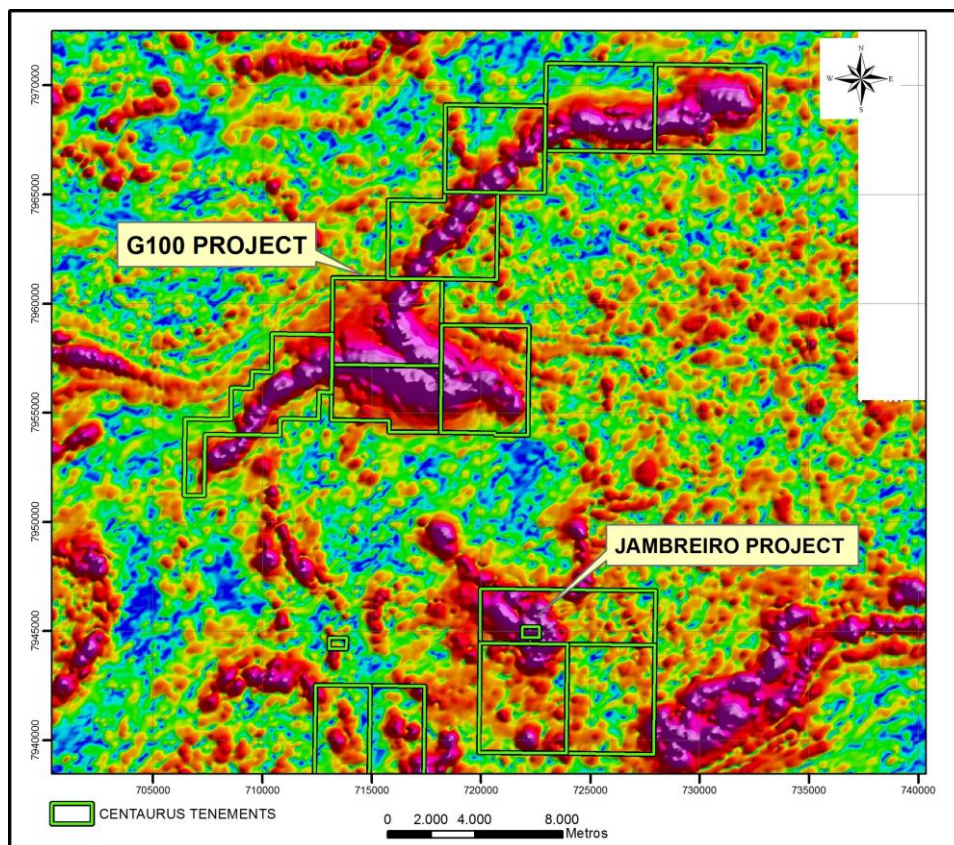


Figure 1: Regional Aeromagnetic map – CODEMIG, Analytical Signal

The regional aeromagnetic map clearly demonstrates the relative size of the G100 Project compared with the footprint of the Jambreiro Project. While the size and strength of the magnetic anomaly is impressive, drilling is now required to determine if iron mineralisation is responsible for the strong magnetic signature of the Project.

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The results of the recent ground magnetic survey are shown in Figure 2 below. The survey included 70km of survey lines covering an area of 30km² in the southern part of the tenement package. North-South survey lines were spaced 200 metres perpendicular to the strike of fold hinge identified in the regional signature. Survey readings were taken every 10 metres.

The resulting interpretation confirms the geometry of the regional aeromagnetic survey and provides the Company with high quality information to target its drilling program.

The overall strike length of the anomaly at the G100 Project is more than 30km with Centaurus' tenement package covering 98% of the magnetic signature.

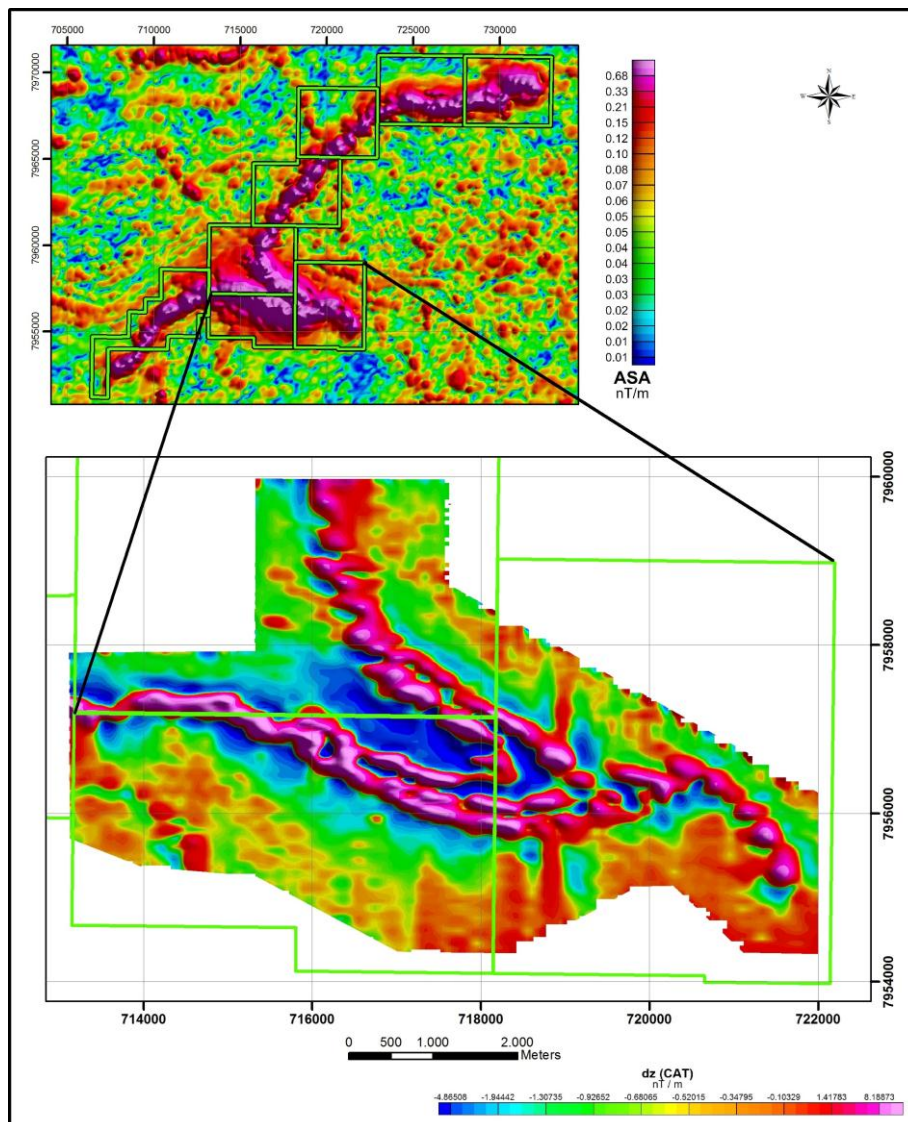


Figure 2 – G100 Project Ground Magnetic Image

Extensive geological mapping over the G100 Project has not so far identified any significant outcrops of iron formation, although there are vast occurrences of soils with hematite (possibly martite) and magnetite occurrences that have been identified with the magnetic anomalies and the topographical highs of the project area. Because of the absence of outcrop, the exploration model for the G100 Project, at this stage, relies heavily on the magnetic signature and geo-morphological similarities to the Jambreiro Iron Ore Project.

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To put this in context, the south-eastern limb of the Tigre Deposit at Jambreiro was originally covered by native vegetation and a plus 2 metre thick layer of organic soils overlaying the mineralisation, which prior to clearing was not identified in the mapping as an area of near-surface mineralisation.

It was only after clearing and completion of a ground magnetic survey that it became evident that there was mineralisation in this part of the Jambreiro Project area. Like the south-eastern limb of the Tigre Deposit, the G100 Project is predominantly covered by native vegetation in many areas, which may account for the absence of iron mineralisation outcrop.

The geological setting of the G100 Project and the friable itabirite mineralisation at the Jambreiro Project are similar in that they are both located in the biotite gneisses, quartz-mica schists, amphibolites and meta-ultramafics of the Upper Formation of the Guanhães Group (Archean).

Work on Landowner Agreements and environmental licensing to access the G100 Project is progressing well. Agreements have been formalised with the landowners over the initial target areas and work continues with the neighbouring properties.

Centaurus' Managing Director, Mr Darren Gordon, said: *"The work which we've completed at Jambreiro over the last 12 months has provided us with important new insights into the prospectivity of the surrounding region, including the large G100 Project, located just 15km north of our proposed new mine infrastructure."*

"The recent results from preliminary exploration activities at G100 have been outstanding for a greenfields location, and have given us a strong platform to define drill targets for the upcoming drill program. A new discovery in this area would be of significant value to the Company, given its proximity to the proposed processing plant and mine infrastructure at Jambreiro."

-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 Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Roger Fitzhardinge has sufficient experience which is relevant to the style of mineralization 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 Reserve'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on the information in the form and context in which it appears.