

27 September 2010

CENTAURUS ON TRACK FOR INITIAL JAMBREIRO RESOURCE FOLLOWING STRONG DRILLING RESULTS

Initial JORC Resource Estimate targeted to be completed by the end of October 2010

Centaurus Metals Limited (ASX Code: **CTM**) is pleased to report that recently completed drilling at its **Jambreiro Iron Ore Project** in south-east Brazil has confirmed the presence of laterally extensive and thick zones of itabirite-hosted iron mineralisation over several prospect areas which will form the basis of a maiden JORC Resource estimate targeted for completion by the end of October 2010.

Drilling intercepts received to date include:

Tigre Prospect

- **98.2 metres @ 29.8% Fe, 3.9% Al₂O₃ and 0.05% P** from 28 metres in Hole JBR-DD-002
- **93.8 metres @ 31.5% Fe, 5.5% Al₂O₃ and 0.04% P** from 9 metres in Hole JBR-DD-003
- **70.0 metres @ 31.8% Fe, 3.3% Al₂O₃ and 0.03% P** from 41 metres in Hole JBR-DD-001
- **62.5 metres @ 32.2% Fe, 2.0% Al₂O₃ and 0.03% P** from 0.5 metres in Hole JBR-DD-011
- **53.0 metres @ 31.2% Fe, 3.5% Al₂O₃ and 0.03% P** from 38 metres in Hole JBR-RC-020

Cruzeiro Prospect

- **31.0 metres @ 34.4% Fe, 1.4% Al₂O₃ and 0.02% P** from surface in Hole JBR-RC-024
- **27.8 metres @ 30.4% Fe, 1.3% Al₂O₃ and 0.03% P** from 10.9 metres in Hole JBR-DD-007

Galo Prospect

- **14.0 metres @ 35.1% Fe, 2.0% Al₂O₃ and 0.02% P** from 56 metres in Hole JBR-RC-011
- **13.0 metres @ 31.2% Fe, 2.9% Al₂O₃ and 0.03% P** from 12.3 metres in Hole JBR-DD-005

See Appendix A for a full list of drilling intersections

Recent beneficiation test work has indicated that the friable itabirite mineralisation at Jambreiro can be upgraded via a simple gravity separation process to deliver a high-grade (+63% Fe) final hematite product with low impurities.

Importantly, many of the intersections encountered form part of thicker mineralised zones. For example, the 98.2 metre intersection in diamond drill hole JBR-DD-002 is contained within a thicker, 160.8 metre, mineralised zone with a down-hole composite grade of 29.4% Fe, while a 34.2 metre intersection in hole JBR-DD-010 is contained within a thicker, 117.5 metre, mineralised zone with a down-hole composite grade of 28.1% Fe (see Appendix A).

The Tigre Prospect

Some of the thickest and most significant intersections encountered in the drilling program were at the Tigre Prospect, which is located in the central zone of the Jambreiro Project. The drilling combined with detailed geological mapping has identified a laterally continuous zone of itabirite mineralisation over a strike length of some 1.1 kilometres and with a true width of 70 to 80 metres (see Figure 1).

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The coarse-grained friable itabirite mineralisation identified at surface generally continues to a depth of approximately 50 metres before the material becomes more compact.

The Cruzeiro Prospect

At the Cruzeiro Prospect, the itabirite mineralisation has been mapped over a strike length of some 500 metres and drilling has confirmed that the friable nature of the mineralisation and grade tenor is consistent with the other Prospects at Jambreiro.

The Galo Prospect

Exploratory drilling completed at the Galo Prospect, located to the north of the Tigre Prospect, has also returned encouraging intersections of itabirite mineralisation. The recent drilling and previous mapping of the Galo Prospect indicates the extensive nature of the friable itabirite over a strike length of some 1.5 kilometres.

All three Prospect areas will form an integral part of the resource estimation and potential future development of the Jambreiro Iron Ore Project.

Centaurus' Managing Director, Mr Darren Gordon, said: *"We are very pleased with the significant widths of mineralisation intersected at Jambreiro, particularly at the Tigre Prospect. Given the highly friable nature of the mineralisation at this Prospect, we expect that a high-grade, low impurity hematite sinter product can be produced using a low-cost gravity beneficiation process. We look forward to delivering our initial resource estimate before the end of October.*

"The Jambreiro Project is shaping up as a high quality project for Centaurus and is likely to become a key part of our domestic iron ore business in Brazil."

-ENDS-

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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 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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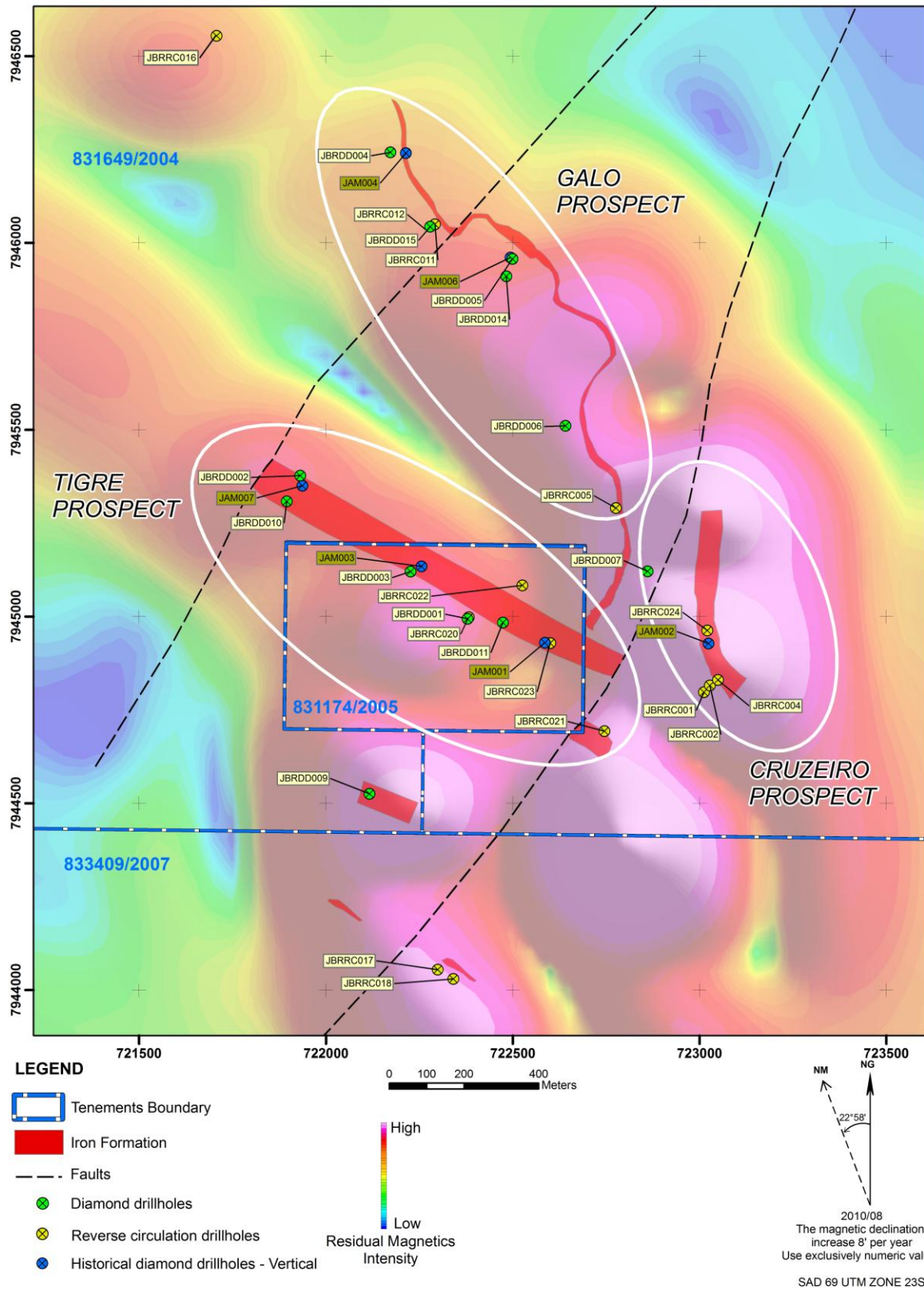


Figure 1 – Jambreiro Iron Ore Project Showing Drill Hole Locations and Prospects over Initial Ground Magnetic Survey

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Appendix A – Jambreiro Iron Ore Project Diamond Drill Hole Results – September 2010

Hole ID	SAD East	SAD North	Dip	Azi	From (m)	To (m)	Downhole width (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
JBRDD001	722379	7944994	-60	30	41.00	111.00	70.00	31.77	48.62	3.35	0.03
					<i>Downhole composite</i>		70.00	31.77	48.62	3.35	0.03
JBRDD002	721931	7945377	-60	225	5.45	24.00	18.55	32.60	50.97	1.05	0.04
JBRDD002	721931	7945377	-60	225	28.00	126.25	98.25	29.76	50.02	3.87	0.05
JBRDD002	721931	7945377	-60	225	132.00	157.00	25.00	28.37	54.57	1.95	0.07
JBRDD002	721931	7945377	-60	225	160.00	179.05	19.05	25.50	53.92	3.85	0.08
					<i>Downhole composite</i>		160.85	29.37	51.30	3.25	0.05
JBRDD003	722227	7945120	-60	45	9.00	102.80	93.80	31.51	45.97	5.53	0.04
					<i>Downhole composite</i>		93.80	31.51	45.97	5.53	0.04
JBRDD004	722173	7946242	-60	45	29.05	41.90	12.85	28.39	50.44	4.80	0.05
					<i>Downhole composite</i>		12.85	28.39	50.44	4.80	0.05
JBRDD005	722499	7945957	-60	45	12.30	25.25	12.95	31.23	50.45	2.86	0.03
					<i>Downhole composite</i>		12.95	31.23	50.45	2.86	0.03
JBRDD006	722641	7945510	-60	45	54.60	57.30	2.70	26.95	52.37	3.83	0.03
JBRDD006	722641	7945510	-60	45	70.90	73.65	2.75	29.06	40.53	1.36	0.03
					<i>Downhole composite</i>		5.45	28.02	46.40	2.59	0.03
JBRDD007	722861	7945121	-60	95	10.90	38.65	27.75	30.37	53.56	1.35	0.03
					<i>Downhole composite</i>		27.75	30.37	53.56	1.35	0.03
JBRDD009	722117	7944525	-60	80	13.50	21.45	7.95	26.55	57.46	2.68	0.05
					<i>Downhole composite</i>		7.95	26.55	57.46	2.68	0.05
JBRDD010	721895	7945308	-60	40	6.10	32.40	26.30	27.55	55.36	3.11	0.03
JBRDD010	721895	7945308	-60	40	57.80	92.05	34.25	29.06	51.84	3.49	0.03
JBRDD010	721895	7945308	-60	40	95.70	112.65	16.95	28.68	54.68	2.23	0.04
JBRDD010	721895	7945308	-60	40	117.55	150.90	33.35	27.26	53.57	1.15	0.06
JBRDD010	721895	7945308	-60	40	154.50	161.20	6.70	27.77	45.66	1.29	0.07
					<i>Downhole composite</i>		117.55	28.08	53.18	2.43	0.04
JBRDD011	722474	7944984	-60	30	0.50	63.00	62.50	32.25	50.45	2.03	0.03
JBRDD011	722474	7944984	-60	30	70.35	96.00	25.65	31.25	46.06	5.61	0.05
					<i>Downhole composite</i>		88.15	31.96	49.17	3.07	0.03
JBRDD014	722483	7945911	-60	45	31.75	43.30	11.55	31.32	49.53	3.21	0.05
					<i>Downhole composite</i>		11.55	31.32	49.53	3.21	0.05
JBRDD015	722279	7946043	-60	45	2.00	16.00	14.00	27.42	56.25	3.16	0.02
					<i>Downhole composite</i>		14.00	27.42	56.25	3.16	0.02

Intervals calculated using a 25% Fe cut-off grade with 3 metre minimum mining width
All samples were analysed using an XRF fusion method with LOI at 1000 °C

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Appendix A – Jambreiro Iron Ore Project RC Drill Hole Results – September 2010

Hole ID	SAD East	SAD North	DIP	Azi	From (m)	To (m)	Downhole width (m)	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%
JBRR001	723012	7944797	-60	50	43.00	46.00	3.00	37.99	31.32	8.08	0.06
JBRR001	723012	7944797	-60	50	49.00	53.00	4.00	30.84	37.29	5.57	0.04
JBRR001	723012	7944797	-60	50	57.00	62.00	5.00	31.55	49.59	1.88	0.05
					Downhole composite		12.00	32.92	40.92	4.66	0.05
JBRR002	723028	7944815	-60	50	22.00	25.00	3.00	31.83	34.71	5.23	0.05
JBRR002	723028	7944815	-60	50	28.00	34.00	6.00	32.98	41.56	1.51	0.03
JBRR002	723028	7944815	-60	50	37.00	54.00	17.00	31.80	51.65	1.53	0.02
					Downhole composite		26.00	32.08	47.37	1.95	0.03
JBRR004	723049	7944830	-60	50	22.00	39.00	17.00	34.99	41.03	4.83	0.06
					Downhole composite		17.00	34.99	41.03	4.83	0.06
JBRR005	722776	7945290	-60	45	7.00	17.00	10.00	39.70	36.05	4.08	0.02
JBRR005	722776	7945290	-60	45	20.00	21.00	1.00	30.14	44.41	6.60	0.02
					Downhole composite		11.00	38.83	36.81	4.31	0.02
JBRR011	722292	7946050	-60	45	2.00	6.00	4.00	27.96	55.49	2.08	0.01
JBRR011	722292	7946050	-60	45	9.00	16.00	7.00	28.08	52.89	4.20	0.03
JBRR011	722292	7946050	-60	45	26.00	27.00	1.00	29.39	53.82	2.02	0.02
JBRR011	722292	7946050	-60	45	34.00	37.00	3.00	31.69	42.93	4.83	0.03
JBRR011	722292	7946050	-60	45	41.00	47.00	6.00	29.21	49.82	2.77	0.02
JBRR011	722292	7946050	-60	45	50.00	53.00	3.00	29.58	47.56	3.92	0.02
JBRR011	722292	7946050	-60	45	56.00	70.00	14.00	35.13	42.90	1.99	0.02
					Downhole composite		38.00	31.28	47.82	2.91	0.02
JBRR012	722266	7946036	-60	45	2.00	4.00	2.00	26.64	48.47	7.72	0.03
JBRR012	722266	7946036	-60	45	10.00	15.00	5.00	28.86	52.02	3.60	0.04
					Downhole composite		7.00	28.22	51.00	4.78	0.04
JBRR016	721707	7946554	-60	90	12.00	17.00	5.00	28.70	49.99	4.42	0.09
					Downhole composite		5.00	28.70	49.99	4.42	0.09
JBRR017	722299	7944054	-60	30	0.00	4.00	4.00	28.73	52.60	3.50	0.02
JBRR017	722299	7944054	-60	30	24.00	33.00	9.00	27.21	57.43	2.37	0.03
					Downhole composite		13.00	27.68	55.95	2.72	0.02
JBRR018	722341	7944030	-60	30	8.00	12.00	4.00	21.16	66.32	2.36	0.01
JBRR018	722341	7944030	-60	30	18.00	21.00	3.00	27.26	39.71	12.92	0.05
					Downhole composite		7.00	23.78	54.92	6.88	0.03
JBRR020	722382	7944998	-60	30	38.00	91.00	53.00	31.21	49.34	3.48	0.03
					Downhole composite		53.00	31.21	49.34	3.48	0.03
JBRR021	722745	7944693	-60	190	0.00	4.00	4.00	36.69	37.46	5.94	0.04
JBRR021	722745	7944693	-60	190	9.00	15.00	6.00	27.31	47.24	8.05	0.07
JBRR021	722745	7944693	-60	190	31.00	43.00	12.00	26.76	53.09	5.19	0.05
					Downhole composite		22.00	28.72	48.65	6.10	0.05
JBRR022	722523	7945079	-60	210	0.00	8.00	8.00	31.41	44.91	5.83	0.03
					Downhole composite		8.00	31.41	44.91	5.83	0.03
JBRR023	722600	7944929	-60	254	0.00	29.00	29.00	33.55	46.47	3.43	0.04
JBRR023	722600	7944929	-60	254	34.00	61.00	27.00	31.68	46.60	4.85	0.04
					Downhole composite		56.00	32.65	46.53	4.11	0.04
JBRR024	723021	7944963	-90	0	0.00	31.00	31.00	34.35	48.25	1.40	0.02
					Downhole composite		31.00	34.35	48.25	1.40	0.02

*Intervals calculated using a 25% Fe cut-off grade with 3 metre minimum mining width
All samples were analysed using an XRF fusion method with LOI at 1000 °C*