

3 May 2011

CENTAURUS COMMENCES INITIAL SCOUT DRILLING PROGRAM AT RIO PARDO IRON ORE PROJECT

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to advise that drilling has commenced at its 100%-owned **Rio Pardo Iron Ore Project** located in the northern part of the State of Minas Gerais, Brazil. An initial 1,500 metre Reverse Circulation (RC) scout drill program has been planned to test canga outcrops and magnetic anomalies identified in the tenement areas.

Rio Pardo Drill Program

Detailed geological surface mapping completed in March 2011 identified broad 'canga' - superficial detrital iron deposit - outcrops overlying diamictite and quartzite units (see Figure 1). This detailed mapping, together with the local ground magnetic program completed in 2010 and regional aeromagnetic data interpretation, was utilised to plan the targeted drill hole locations.

Centaurus Metals Ltd holds four tenements in the Rio Pardo region covering an area of 57.5 square kilometres and has a further two tenement applications awaiting National Department of Mineral Production (DNPM) approval. The Project is located approximately 180km from the Ilhéus to Caetité railway (see Figure 2) that is currently under construction and expected to be finished in late 2012. This line will feed the recently approved Ilhéus free access port that has a planned start-up capacity of 50mtpa.

The Rio Pardo region is in the heart of the recently discovered Northern Minas Gerais Iron Ore Province. Several major exploration and mining companies including Vale, Eurasian Natural Resources Corporation (ENRC), Honbridge Holdings Limited and Mtransminas are actively exploring in the district.

-ENDS-

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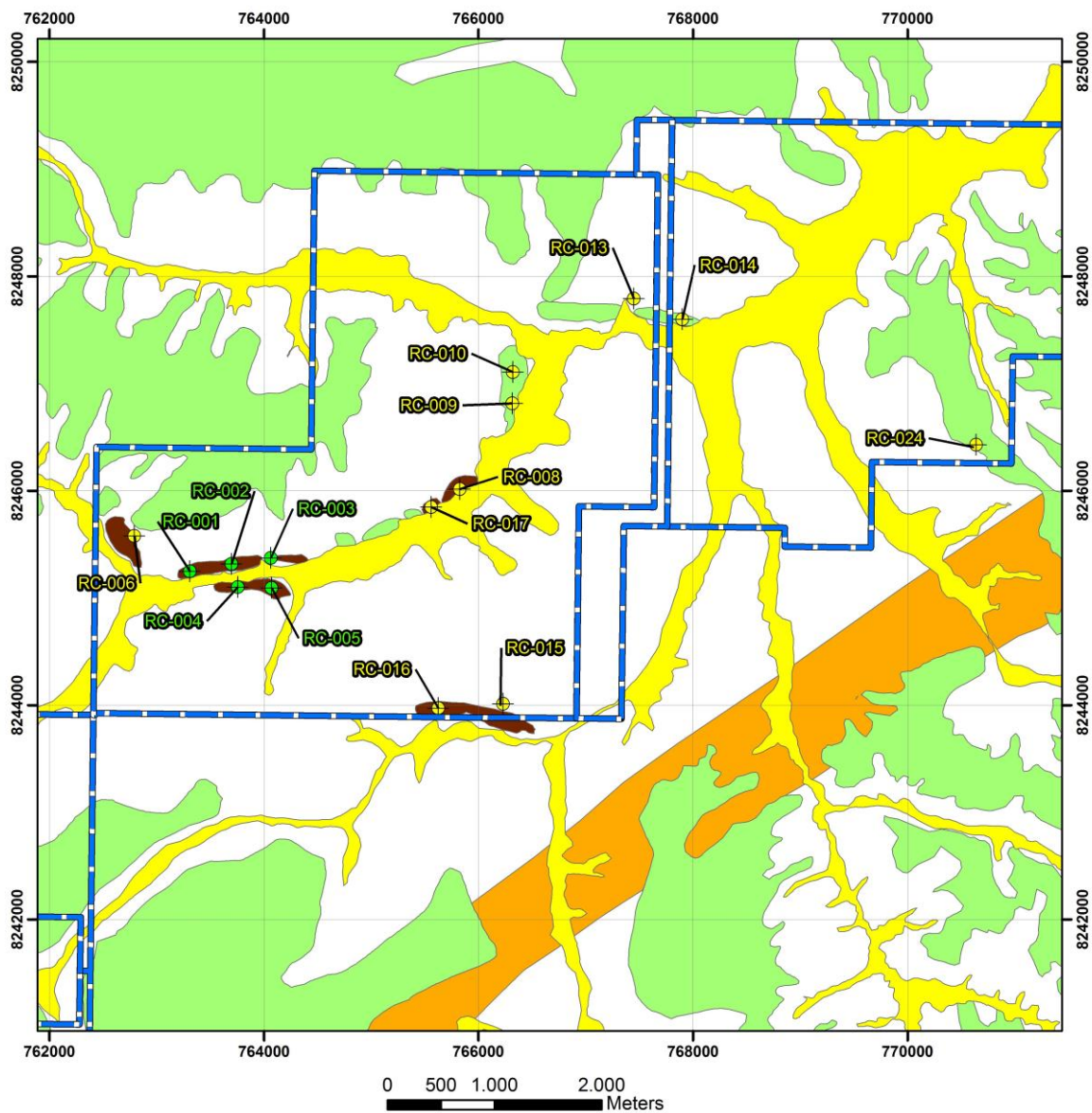
Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasian Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals. Roger Fitzhardinge has 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 consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

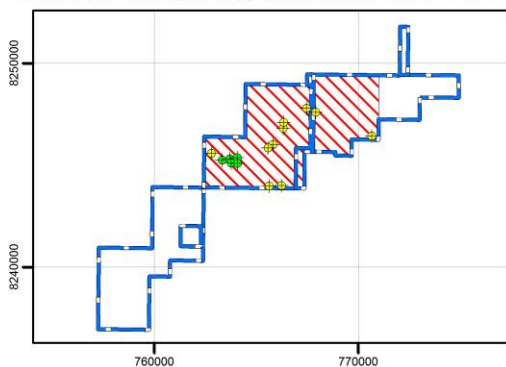


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Figure I – Rio Pardo Geological Mapping and Ground Magnetic Image



DRILLING LOCATION IN THE TENEMENTS BLOCK



NM NG
22°73'
2010/07
The magnetic declination
increase 8' per year
Use exclusively the numeric data
SAD 69 - UTM Zone 23S

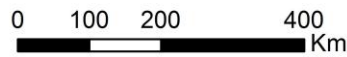
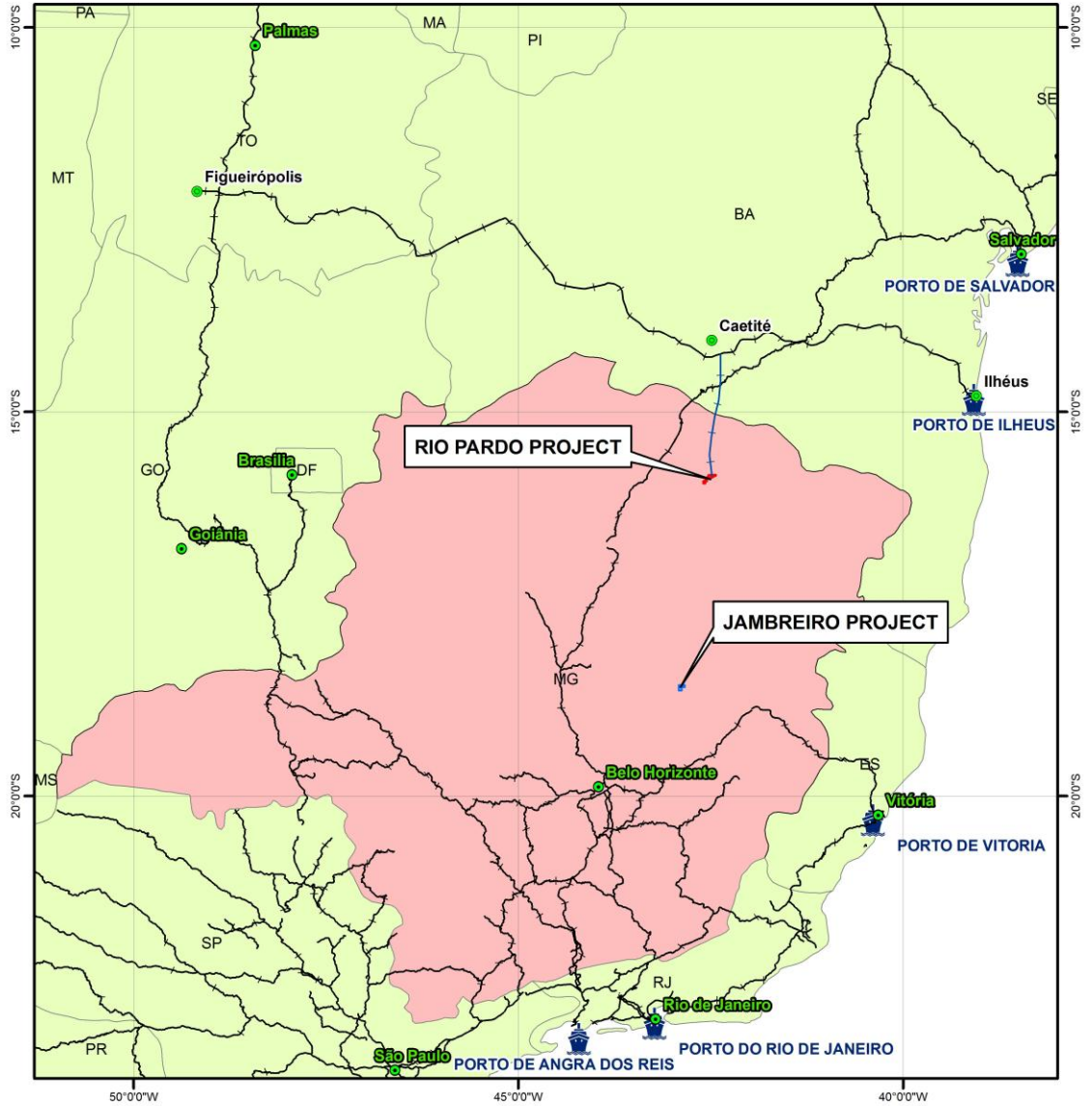
Legend

- Rio Pardo Tenements
- DrillHole Status**
 - Phase 1
 - Phase 2
- Litology**
 - Alluvium
 - Canga
 - Laterite
 - Diamictite
 - Diamictite - Fe



Figure 2 – Rio Pardo Iron Ore Project Location

RIO PARDO IRON ORE PROJECT



Legend

- Rio Pardo Project
- Jambreiro Project
- Principal Cities
- Cities
- +— Possible Rio Pardo Rail Spur
- +— Railroads
- ⚓ Ports