

10 August 2011

POSITIVE RESULTS AT JAMBREIRO FROM SOUTH EAST EXTENSION ZONE DRILLING

EXPLORATION TARGET¹ OF 20-30 MILLION TONNES ESTABLISHED FOR THE SOUTH EAST EXTENSION ZONE

International iron ore company Centaurus Metals (ASX Code: **CTM**) is pleased to report that recent drilling has extended the primary mineralised zone at its 100%-owned **Jambreiro Iron Ore Project** in south-east Brazil by at least 400 metres following the receipt of **wide intersections of friable itabirite mineralisation**.

The new results, from the area immediately south-east of the main Tigre deposit (Figure 1), have provided the Company with the confidence to establish an Exploration Target¹ of **20-30 million tonnes at a grade of 28-33% Fe** in addition to the existing Tigre Resource estimate (Measured, Indicated and Inferred Resource of 61.2Mt grading 27.7% Fe).

Existing beneficiation test work results on friable itabirite mineralisation of similar grade to the Exploration Target¹ has shown that a **high grade (+65% Fe) hematite product can be produced at a mass recovery of approximately 45% to 50%**.

The excellent results are expected to lead to an increase in the current resource base at Jambreiro next month. In June 2011, the Company announced an interim JORC Resource estimate (combined Measured, Indicated and Inferred) of 70.6 million tonnes at an average grade 28.0% Fe for the overall Jambreiro Project.

Highlights of the recent results include the following continuous intervals (*see attached Appendix A & B for a full list of recent drilling intersections*):

- **77.0 metres @ 29.4% Fe, 2.7% Al₂O₃ and 0.04% P** from surface in Hole JBR-RC-11-0096
- **57.1 metres @ 26.7% Fe, 1.7% Al₂O₃ and 0.05% P** from 80.2 metres in Hole JBR-DD-11-0043
- **51.0 metres @ 34.7% Fe, 2.9% Al₂O₃ and 0.03% P** from 33.0 metres in Hole JBR-RC-11-0085, including **21.0 metres @ 40.1% Fe, 1.9% Al₂O₃ and 0.03% P** from 61.0 metres
- **49.0 metres @ 28.0% Fe, 2.4% Al₂O₃ and 0.04% P** from 48.0 metres in Hole JBR-RC-11-0090
- **33.0 metres @ 30.6% Fe, 2.8% Al₂O₃ and 0.04% P** from 38.0 metres in Hole JBR-RC-11-0091
- **30.0 metres @ 35.8% Fe, 3.6% Al₂O₃ and 0.03% P** from surface in Hole JBR-RC-11-0084
- **26.0 metres @ 41.7% Fe, 2.4% Al₂O₃ and 0.04% P** from surface in Hole JBR-RC-11-0097

Results from drilling in the South East Extension Zone demonstrate the consistency of the thick, friable itabirite iron mineralisation from surface and along strike at the Tigre Prospect.

The mineralised zone in the South East Extension Zone dips sub-parallel to the natural surface and, when combined with the higher grade nature of the ore, this is expected to result in lower strip ratios and higher mass recoveries than in the main zone of the Tigre deposit. These advantages demonstrate the merits of the South East Extension Zone being a very good option for the start of future mining activities.

¹ Note: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resources have not been used in this context. The potential quantity and grade range is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

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Drilling of the South East Extension Zone and the deeper drilling to convert Inferred Resources to Indicated status within or near the current limits of the planned open pit at Tigre is now complete.

Processing of all core and RC samples is well advanced and Centaurus expects to have a new Jambreiro Resource update for the Tigre Prospect and the South East Extension Zone in September 2011.

Exploration Drilling – Satellite Prospects

Drilling of the satellite prospects (**Cruzeiro, Galo** and **Coelho**) at Jambreiro is also now complete. Highlights of the recent results include the following continuous intervals (*see attached Appendix A & B for a full list of recent drilling intersections*):

Cruzeiro Prospect

- **38.4 metres @ 33.4% Fe, 2.3% Al₂O₃ and 0.03% P** from surface in Hole JBR-DD-11-0030

Galo Prospect

- **16.0 metres @ 31.3% Fe, 8.7% Al₂O₃ and 0.03% P** from surface in Hole JBR-RC-11-0053
- **17.0 metres @ 30.9% Fe, 3.4% Al₂O₃ and 0.01% P** from surface in Hole JBR-RC-11-0069
- **13.4 metres @ 35.8% Fe, 3.0% Al₂O₃ and 0.02% P** from surface in Hole JBR-DD-11-0034

Coelho Prospect

- **67.0 metres @ 30.8% Fe, 2.0% Al₂O₃ and 0.02% P** from 2 metres in Hole JBR-RC-11-0062*

**This hole, JBR-RC-11-0062, has been interpreted to have been drilled sub parallel to the mineralisation dip. The true width of mineralisation at the Coelho Prospect is estimated to be between 15-20 metres.*

New results continue to confirm the continuity of friable mineralisation at the Cruzeiro Prospect with consistent widths of 30-35 metres in the main zone of the Prospect. New drill hole JBR-RC-11-0030 (38.4m at 33.4% Fe from surface) is located on the same section as previously released hole JBR-RC-11-0040 (39m at 34.4% Fe from 5 metres) and over 150 metres along strike from JBR-RC-10-0024 (31.0m at 34.4% Fe). The Cruzeiro Prospect is shaping up as the most attractive satellite prospect from a resource perspective.

New Resource estimates for all of the satellite prospects will be made in September.

Centaurus' Managing Director Mr Darren Gordon, said: *"The results from the South East Extension Zone at Jambreiro have confirmed the potential to add a further 20-30 million tonnes of near-surface, friable itabirite mineralisation to the overall resource base. We anticipate that the next resource upgrade in September will allow us to increase the overall resource base to around 90 –100 million tonnes at a similar or slightly higher overall grade to the existing Resource estimate.*

"The higher grade nature of the friable mineralisation identified in the South East Extension Zone is very exciting. We already know that the Jambreiro ore produces a quality high-grade hematite product so we may expect that the higher in-situ grade mineralisation could to see some further increases to the overall mass recovery for the Project.

"The Jambreiro Project Scoping Study is in its closing stages with the pit optimization, mine sequencing and mine and plant equipment requirements complete. The study is expected to be finalized before the end of the month and will provide the platform for the future Feasibility Study work."



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Competent Person's Statement

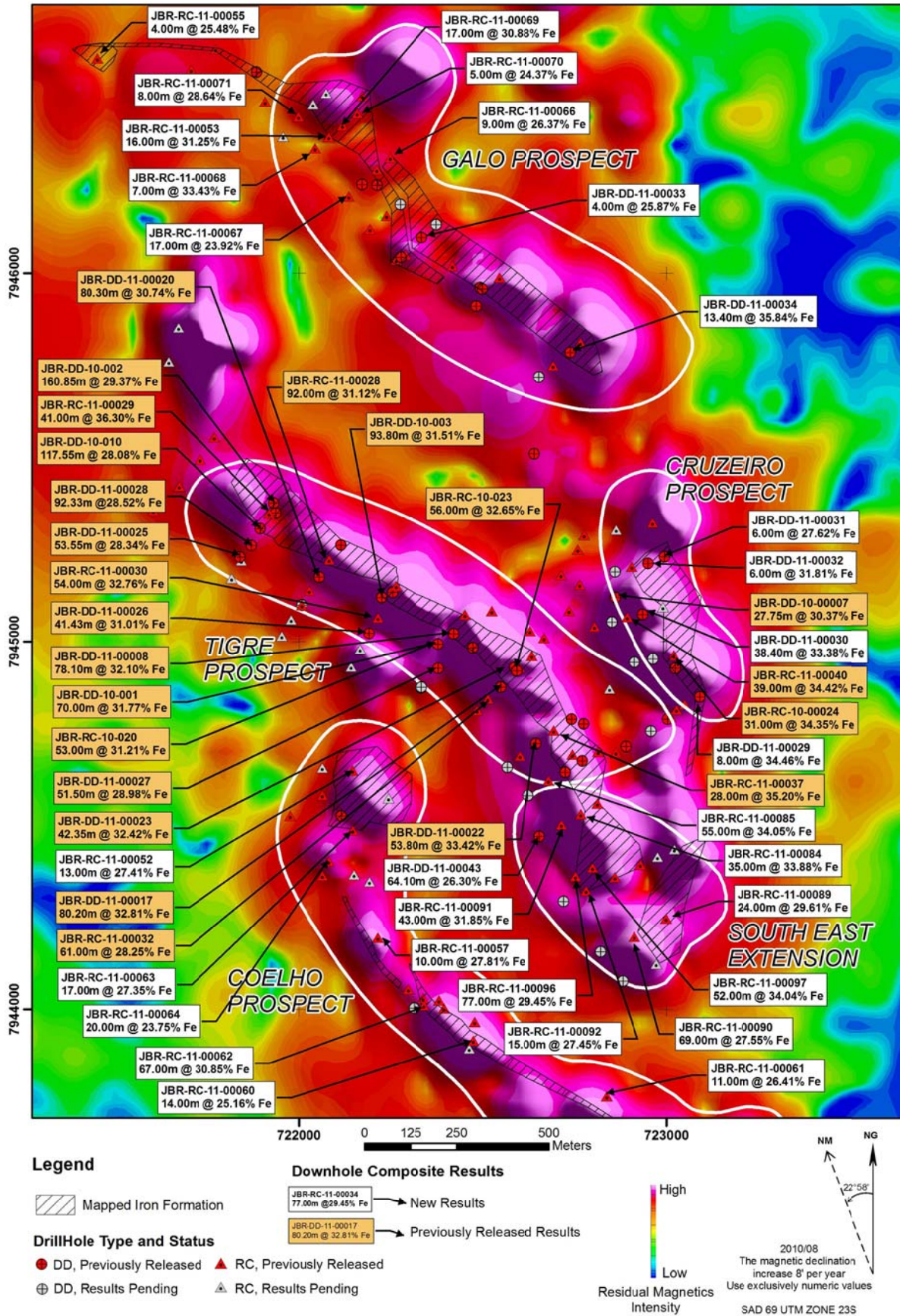
The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge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



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Appendix A – Jambreiro Iron Ore Project - New Diamond Drill Hole Results – August 2011

DOWN-HOLE INTERSECTIONS - JAMBREIRO - DDH													
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-DD-11-00029							0.00	8.00	8.00	34.46	46.49	2.34	0.01
JBR-DD-11-00029	723090	7944850	963	-70	59	60.20	Downhole composite		8.00	34.46	1253.52	46.02	1.27
JBR-DD-11-00030							0.00	38.40	38.40	33.38	48.24	2.29	0.03
JBR-DD-11-00030	722216	7945065	916	-60	30	180.00	Downhole composite		38.40	33.38	48.24	2.29	0.03
JBR-DD-11-00031							0.00	6.00	6.00	27.62	56.48	2.55	0.02
JBR-DD-11-00031	722815	7944701	990	-90	0	60.00	Downhole composite		6.00	27.62	56.48	2.55	0.02
JBR-DD-11-00032							0.00	6.00	6.00	31.81	35.49	10.82	0.03
JBR-DD-11-00032	722522	7944847	997	-80	43	137.00	Downhole composite		6.00	31.81	35.49	10.82	0.03
JBR-DD-11-00033							0.00	4.00	4.00	25.87	46.21	10.03	0.04
JBR-DD-11-00033	722480	7944809	984	-90	0	200.00	Downhole composite		4.00	25.87	46.21	10.03	0.04
JBR-DD-11-00034							23.05	36.45	13.40	35.84	43.05	3.01	0.02
JBR-DD-11-00034	722042	7945148	883	-60	30	172.00	Downhole composite		13.40	35.84	43.05	3.01	0.02
JBR-DD-11-00035	722375	7946133	897	-60	49	34.50	NO SIGNIFICANT INTERSECTION						
JBR-DD-11-00036	722277	7946188	896	-60	45	60.00	NO SIGNIFICANT INTERSECTION						
JBR-DD-11-00043							80.20	137.30	57.10	26.74	45.48	1.70	0.05
JBR-DD-11-00043							141.00	148.00	7.00	22.77	42.93	2.26	0.05
JBR-DD-11-00043	722654	7944470	965	-80	60	190.00	Downhole composite		64.10	26.30	45.20	1.76	0.05

*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 °C*

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Appendix B – Jambreiro Iron Ore Project - New RC Drill Hole Results – August 2011

DOWN-HOLE INTERSECTIONS - 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-11-00052							27.00	40.00	13.00	27.41	54.76	3.75	0.03
JBR-RC-11-00052	722147	7944650	894	-90	0	100.00	Downhole composite		13.00	27.41	54.76	3.75	0.03
JBR-RC-11-00053							0.00	16.00	16.00	31.25	40.99	8.67	0.03
JBR-RC-11-00053	722083	7946371	938	-70	60	52.00	Downhole composite		16.00	31.25	40.99	8.67	0.03
JBR-RC-11-00054	721909	7946466	957	-70	60	60.00	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00055							3.00	7.00	4.00	25.48	59.10	2.91	0.04
JBR-RC-11-00055	721455	7946585	865	-70	60	60.00	Downhole composite		4.00	25.48	59.10	2.91	0.04
JBR-RC-11-00056	722066	7944363	878	-70	240	70.00	NO SIGNIFICANT INTERSECTION						
JBR-11-RC-00057							26.00	36.00	10.00	27.81	55.66	2.92	0.03
JBR-11-RC-00057	722216	7944195	900	-60	240	60.00	Downhole composite		10.00	27.81	55.66	2.92	0.03
JBR-RC-11-00058	722383	7944024	897	-70	240	80.00	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00059	722479	7943965	900	-60	240	100.00	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00060							1.00	11.00	10.00	26.34	58.60	2.44	0.03
JBR-RC-11-00060							16.00	20.00	4.00	22.20	61.12	4.61	0.02
JBR-RC-11-00060	722476	7943915	845	-90	0	44.00	Downhole composite		14.00	25.16	59.32	3.06	0.02
JBR-RC-11-00061							28.00	39.00	11.00	26.41	56.49	3.74	0.04
JBR-RC-11-00061	722838	7943763	900	-60	240	50.00	Downhole composite		11.00	26.41	56.49	3.74	0.04
JBR-11-RC-00062							2.00	69.00	67.00	30.85	52.41	2.02	0.02
JBR-11-RC-00062	722342	7944011	920	-60	240	90.00	Downhole composite		67.00	30.85	52.41	2.02	0.02
JBR-11-RC-00063							0.00	11.00	11.00	26.25	54.96	4.22	0.03
JBR-11-RC-00063							15.00	21.00	6.00	29.37	42.48	9.30	0.05
JBR-11-RC-00063	722148	7944487	884	-90	0	90.00	Downhole composite		17.00	27.35	50.55	6.01	0.04
JBR-RC-11-00064							0.00	16.00	16.00	23.88	58.52	4.25	0.03
JBR-RC-11-00064							26.00	30.00	4.00	23.23	60.26	3.62	0.05
JBR-RC-11-00064	722083	7944402	857	-90	0	73.00	Downhole composite		20.00	23.75	58.87	4.13	0.04
JBR-RC-11-00065	721977	7944526	860	-90	0	70.00	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00066							0.00	9.00	9.00	26.37	41.26	13.33	0.02
JBR-RC-11-00066	722250	7946315	850	-90	0	100.00	Downhole composite		9.00	26.37	41.26	13.33	0.02
JBR-RC-11-00067							20.00	27.00	7.00	20.86	64.66	3.86	0.05
JBR-RC-11-00067							37.00	47.00	10.00	26.07	52.47	4.46	0.05
JBR-RC-11-00067	722137	7946209	850	-60	50	90.00	Downhole composite		17.00	23.92	57.49	4.21	0.05
JBR-RC-11-00068							29.00	36.00	7.00	33.43	44.33	4.14	0.05
JBR-RC-11-00068	722040	7946320	914	-70	50	60.00	Downhole composite		7.00	33.43	44.33	4.14	0.05
JBR-11-RC-00069							0.00	17.00	17.00	30.88	50.05	3.38	0.01
JBR-11-RC-00069	722120	7946416	951	-70	50	40.00	Downhole composite		17.00	30.88	50.05	3.38	0.01
JBR-11-RC-00070							0.00	5.00	5.00	24.37	61.38	2.20	0.02
JBR-11-RC-00070	722160	7946435	963	-90	0	30.00	Downhole composite		5.00	24.37	61.38	2.20	0.02
JBR-11-RC-00071							12.00	20.00	8.00	28.64	48.30	5.95	0.04
JBR-11-RC-00071	722000	7946426	944	-70	50	50.00	Downhole composite		8.00	28.64	48.30	5.95	0.04

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DOWN-HOLE INTERSECTIONS - 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-11-00085							33.00	84.00	51.00	34.66	44.91	2.85	0.03
JBR-RC-11-00085							89.00	93.00	4.00	26.43	51.87	6.81	0.04
JBR-RC-11-00085	722680	7944623	1012	-70	60	110.00	Downhole composite		55.00	34.06	45.41	3.13	0.03
JBR-RC-11-00086	722813	7944559	988	-80	60	60	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00087	722860	7944359	999	-80	60	56	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00088	722931	7944393	986	-80	60	60	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00089							0.00	4.00	4.00	25.08	44.05	13.09	0.04
JBR-RC-11-00089							25.00	45.00	20.00	30.52	45.77	1.96	0.04
JBR-RC-11-00089	722988	7944249	957	-80	60	60.00	Downhole composite		24.00	29.61	45.48	3.82	0.04
JBR-RC-11-00090							0.00	20.00	20.00	26.43	55.70	4.28	0.03
JBR-RC-11-00090							48.00	97.00	49.00	28.01	43.13	2.40	0.04
JBR-RC-11-00090	722925	7944205	971	-80	50	120.00	Downhole composite		69.00	27.55	46.77	2.95	0.04
JBR-RC-11-00091							0.00	10.00	10.00	36.12	44.66	1.94	0.04
JBR-RC-11-00091							38.00	71.00	33.00	30.56	44.09	2.84	0.04
JBR-RC-11-00091	722715	7944502	963	-80	60	110.00	Downhole composite		43.00	31.85	44.22	2.63	0.04
JBR-RC-11-00092							14.00	26.00	12.00	28.09	46.24	7.12	0.07
JBR-RC-11-00092							35.00	38.00	3.00	24.89	48.52	10.24	0.05
JBR-RC-11-00092	722782	7944323	955	-80	60	100.00	Downhole composite		15.00	27.45	46.69	7.75	0.07
JBR-RC-11-00096							0.00	77.00	77.00	29.45	51.75	2.68	0.04
JBR-RC-11-00096	722753	7944362	951	-80	60	120.00	Downhole composite		77.00	29.45	51.75	2.68	0.04
JBR-RC-11-00097							0.00	26.00	26.00	41.72	35.31	2.36	0.04
JBR-RC-11-00097							36.00	62.00	26.00	26.36	51.81	6.63	0.03
JBR-RC-11-00097	722812	7944391	985	-80	60	80.00	Downhole composite		52.00	34.04	43.56	4.50	0.04

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 °C