AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
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19 May 2011

JAMBREIRO PROJECT CONTINUES TO DELIVER STRONG IRON ORE INTERSECTIONS

In-fill Drilling Program at Tigre Prospect Complete – JORC Resource Update Expected Mid June.

International iron ore company Centaurus Metals (ASX Code: **CTM**) is pleased to report that assay results from the recently-completed in-fill drilling program on the Tigre Prospect at its flagship 100%-owned **Jambreiro Iron Ore Project** in south-east Brazil are continuing to return strong intersections of iron mineralisation.

The first phase of drilling, designed to convert the the Tigre Prospect's current JORC Inferred Resource of **69Mt grading 29.3% Fe** to Indicated status, is now complete. Latest highlights from this drilling include the following continuous intersections (*see Appendices 1 & 2 for a list of recent drilling intersections*):

- **46.8 metres @ 34.5% Fe, 2.6% Al_2O_3 and 0.02% P** from 36.2 metres in Hole JBR-DD-11-0022
- **66.0 metres @ 31.3% Fe, 2.5% Al_2O_3 and 0.04% P** from 21 metres in Hole JBR-RC-11-0028
- **54.0 metres @ 28.5% Fe, 3.6% Al_2O_3 and 0.02% P** from 57 metres in Hole JBR-RC-11-0032
- **35.0 metres @ 31.5% Fe, 3.9% Al_2O_3 and 0.04% P** from 62 metres in Hole JBR-RC-11-0038

These results continue to demonstrate the continuity and thickness of the iron mineralisation along the strike length of the Tigre Prospect.

Drill hole JBR-RC-11-0028 intersected a continuous interval of **66.0m at 31.3% Fe** and is part of a down-hole composite of **92.0m at 31.1% Fe**. This hole was the first hole drilled on Section 2 (see Figure 1) located 200 metres along strike of previous hole JBR-DD-10-003 which intersected **93.8m at 31.5% Fe.**

Recent beneficiation test work on both compact and friable ore samples from Jambreiro has shown that a high-grade hematite product can be produced using simple processing flow sheets. The friable ore has been upgraded to a +63% Fe product using only a rougher gravity separation process (spirals) while a Wet High Intensity Magnetic Separation Process (WHIMS) was used to upgrade the compact Jambreiro ore to a 66% Fe product with very low levels of impurities (3.7% silica, 0.9% alumina and 0.01% phosphorus).

To date the Company has completed 5,175 metres of drilling (2,150 metres Diamond and 3,025 metres RC) of the current drill program. Importantly, the ongoing results from the in-fill drilling continue to remain consistent with past drilling results and continue to confirm the Company's interpretation of the Tigre Prospect.

The Company has submitted over 4,000 samples to the Intertek Laboratories in São Paulo with assay results from these samples expected to be received over the next three weeks. The delay in assay turnaround times is likely to mean the Resource update for the Tigre Prospect area will now be delivered in mid June.

Drilling continues at Jambreiro with four rigs on site (three diamond and one RC), all working 24 hours per day. The next phase of drilling is underway targeting the **Galo** and **Cruzeiro** Prospects as well as testing new targets identified from the ground magnetic survey and trenching program.

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A third phase of drilling will test the south-east extension of the Tigre Prospect, where the prospect remains open along strike. Surface mapping and ground magnetic anomalies have identified a further 500 metres of strike extension of the Tigre Prospect in this area.

Centaurus' Managing Director Mr Darren Gordon, said: "*The drill results from Jambreiro continue to show excellent widths of mineralisation and continuity of grade, providing confidence that the resource base will form the foundation of a financially robust project.*

"With the Brazilian economy growing at an impressive 4% to 5% per annum and with Brazil's strong internal demand for iron ore arising from it extensive steel sector, Centaurus is, through projects like Jambreiro, exceptionally well positioned to capitalise on this growth."

-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 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 Cross Section Locations and Recent Results

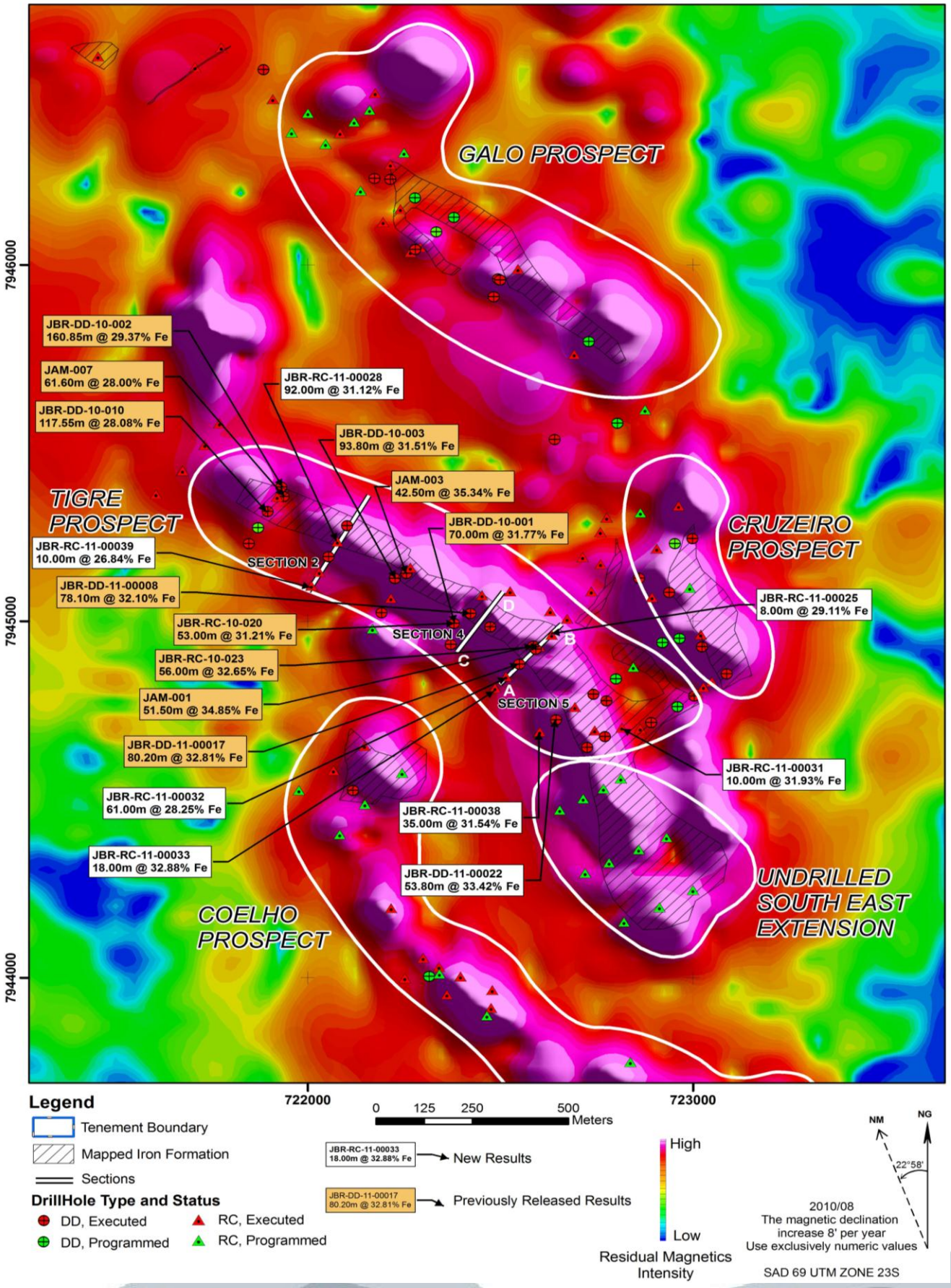

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Figure 2 – Jambreiro Cross Section 4
(C to D on Figure 1 Map)

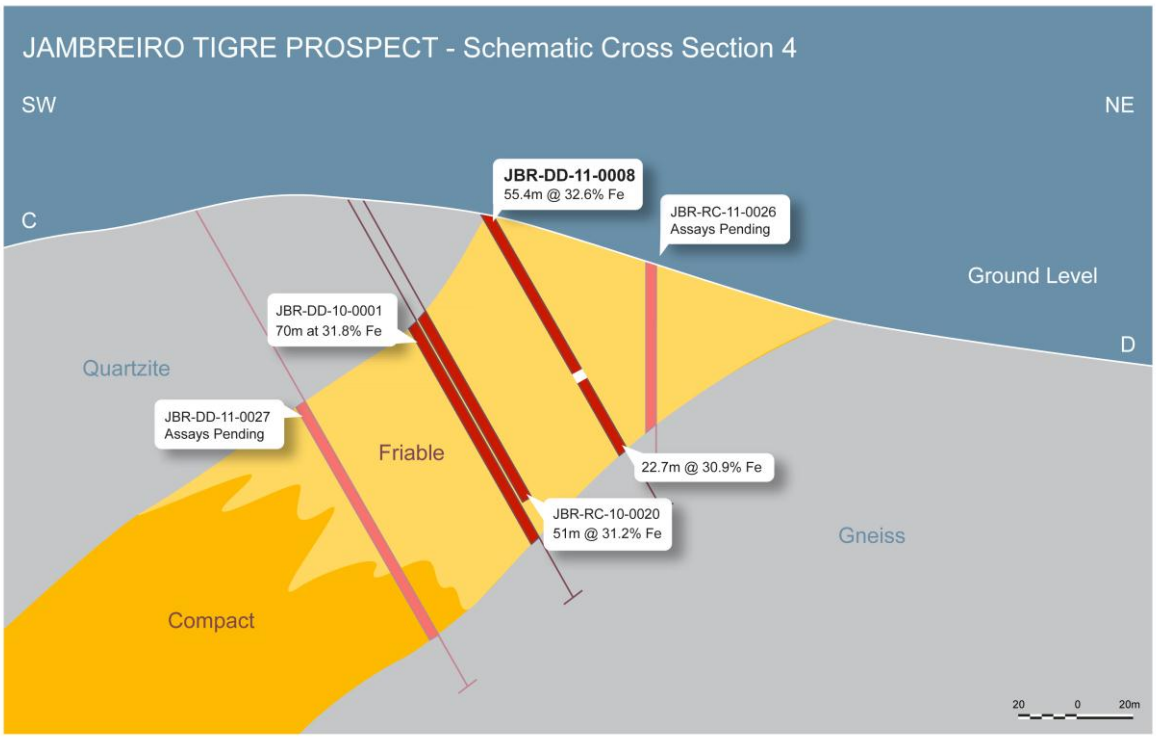
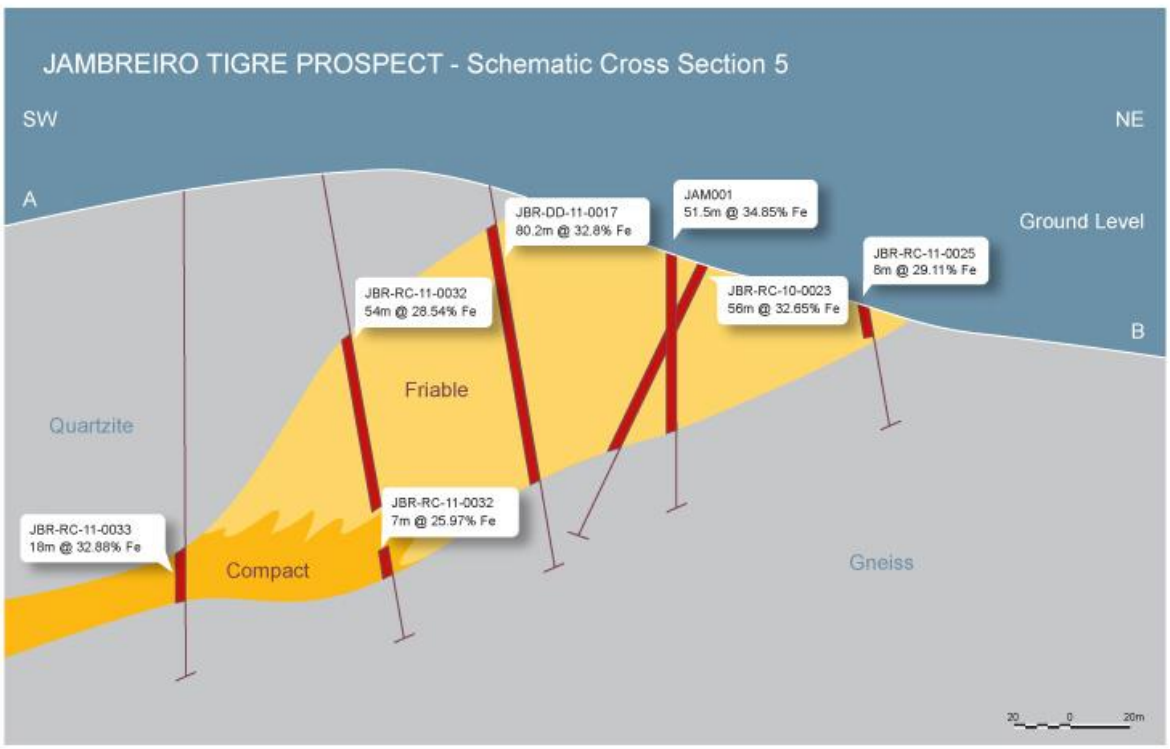


Figure 3 – Jambreiro Cross Section 5
(A to B on Figure 1 Map)



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Appendix A – Jambreiro Iron Ore Project Diamond Drill Hole Results – May 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_2O_3%	P%
JBR-DD-11-00020	722053	7945181	889	-60	30	180.20	ASSAYS PENDING						
JBR-DD-11-00022							36.20	83.00	46.80	34.45	46.46	2.64	0.02
JBR-DD-11-00022							91.00	98.00	7.00	26.57	57.59	2.74	0.02
JBR-DD-11-00022	**722645**	**7944723**	**1030**	**-70**	**50**	**130.20**	**Downhole composite**		**53.80**	**33.42**	**47.91**	**2.65**	**0.02**

Appendix B – Jambreiro Iron Ore Project RC Drill Hole Results – May 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_2O_3%	P%
JBR-RC-11-00025							0.00	8.00	8.00	29.11	47.69	6.09	0.03
JBR-RC-11-00025	**722634**	**7944962**	**965**	**-80**	**47**	**120**	**Downhole composite**		**8.00**	**29.11**	**47.69**	**6.09**	**0.03**
JBR-RC-11-00026	**722453**	**7945073**	**928**	**-90**	**0**	**55**	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00027	**722266**	**7945151**	**1026**	**-60**	**30**	**90**	ASSAYS PENDING						
JBR-RC-11-00028							21.00	87.00	66.00	31.31	50.90	2.53	0.04
JBR-RC-11-00028							94.00	120.00	26.00	30.65	47.71	4.26	0.04
JBR-RC-11-00028	**722076**	**7945224**	**894**	**-60**	**30**	**150**	**Downhole composite**		**92.00**	**31.12**	**50.00**	**3.02**	**0.04**
JBR-RC-11-00029	**721920**	**7945349**	**854**	**-60**	**30**	**150.00**	ASSAYS PENDING						
JBR-RC-11-00030	**722216**	**7945065**	**927**	**-60**	**30**	**180.00**	ASSAYS PENDING						
JBR-RC-11-00031							0.00	10.00	10.00	31.93	43.74	6.56	0.02
JBR-RC-11-00031	**722815**	**7944701**	**994**	**-90**	**0**	**60.00**	**Downhole composite**		**10.00**	**31.93**	**43.74**	**6.56**	**0.02**
JBR-RC-11-00032							57.00	111.00	54.00	28.54	53.16	3.59	0.02
JBR-RC-11-00032							121.00	128.00	7.00	25.97	56.08	4.21	0.02
JBR-RC-11-00032	**722515**	**7944845**	**1000**	**-80**	**43**	**180.00**	**Downhole composite**		**61.00**	**28.25**	**53.49**	**3.66**	**0.02**
JBR-RC-11-00033							120.00	138.00	18.00	32.88	48.52	1.19	0.04
JBR-RC-11-00033	**722486**	**7944813**	**987**	**-90**	**0**	**160.00**	**Downhole composite**		**18.00**	**32.88**	**48.52**	**1.19**	**0.04**
JBR-RC-11-00034	**722030**	**7945139**	**899**	**-60**	**30**	**220.00**	ASSAYS PENDING						
JBR-RC-11-00035	**722736**	**7945084**	**930**	**-60**	**116**	**90.00**	ASSAYS PENDING						
JBR-RC-11-00036	**722630**	**7945029**	**940**	**-60**	**116**	**60.00**	ASSAYS PENDING						
JBR-RC-11-00037	**722694**	**7944759**	**1012**	**-70**	**50**	**80.00**	ASSAYS PENDING						
JBR-RC-11-00038							62.00	97.00	35.00	31.54	47.47	3.87	0.04
JBR-RC-11-00038	**722602**	**7944690**	**1000**	**-60**	**30**	**100.00**	**Downhole composite**		**35.00**	**31.54**	**47.47**	**3.87**	**0.04**
JBR-RC-11-00039							13.00	23.00	10.00	26.84	56.12	3.19	0.02
JBR-RC-11-00039	**722009**	**7945100**	**890**	**-70**	**50**	**60.00**	**Downhole composite**		**10.00**	**26.84**	**56.12**	**3.19**	**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 ^{0}C

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