

6 August 2010

CENTAURUS FARMS OUT ITS BRAZILIAN COPPER-GOLD PROJECTS IN US\$4.25M DEAL

Brazilian Mining Company to Earn up to a 90% Interest in Non-Core Assets

International iron ore company Centaurus Metals Ltd (ASX Code: CTM) is pleased to advise that it has entered into a Farm Out agreement with a Brazilian-based mining company covering its two non-core Brazilian Copper-Gold Projects. Under the terms of the agreement, Mining Ventures Do Sul Pesquisa e Mineração Ltda will spend **US\$4.25 million** on the Project areas to earn a **90% interest**.

The key project area is the Caçapava Project, located in the South of Brazil (*Figure 1*), which consists of seven tenements prospective for gold and base metal mineralisation. The Centaurus tenements are located adjacent to Mining Ventures existing Caçapava do Sul Project and the combination of the two tenement packages in this region will provide Mining Ventures with a dominant tenement position in an area that they have been actively exploring over the past 2 years (*Figure 2*). The second Project is the Brusque Project, located in the State of Santa Catarina.

Mining Ventures is a private company majority owned by Denham Capital, a US private equity firm focused on energy and commodities with over US\$4.3 billion of assets under management. Mining Ventures owns a portfolio of mineral tenements in Brazil focused on copper, gold, iron ore and rare earth minerals.

Under the terms of arrangement, Mining Ventures will undertake three phases of exploration investment with the second and third phases being subject to exploration success in the relevant preceding phase. At least \$500,000 must be spent on the Caçapava Project before Mining Ventures can withdraw from the Joint Venture.

Centaurus will be carried free until the completion of the third and final exploration phase, at which time it will have the right to contribute to the future costs of the project in proportion to its 10% stake, or to convert this holding into a 1% Net Smelter Royalty. Centaurus' areas will revert entirely to Centaurus should Mining Ventures not complete the first or second phase of exploration investment.

Centaurus' Managing Director, Mr Darren Gordon said: *"We are very pleased to have a well funded and professional group such as Mining Ventures driving the exploration of this project. Mining Ventures has an excellent track record of exploration in this region and the combination of our tenement packages will ensure that this highly prospective mineral field is given the best possible chance of a major discovery and subsequent development.*

"We have always felt strongly about the prospectivity of our copper-gold assets in Brazil, but with our strong focus on our Iron Ore Business, which includes plans to produce 3mtpa of high grade iron ore for sale into the Brazilian domestic steel market by the end of 2013, we haven't been able to invest the time or money that these prospective assets deserve," Mr Gordon added.

"The agreement with Mining Ventures allows us to unlock value for our shareholders from these quality assets while maintaining our focus on our core iron ore business."

**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**



ENDS-

Released By:

Nicholas Read
Read Corporate
Mb: (+61) 419 929 046
Tel: (+61-8) 9388 1474

On behalf of:

Mr Darren Gordon/Mr Mark Papendieck
Managing Director/GM - Commercial
Centaurus Metals Ltd
Tel: (+61-8) 9420 4000



Figure 1 – Location Map of Centaurus' Gold and Base Metal Tenements

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

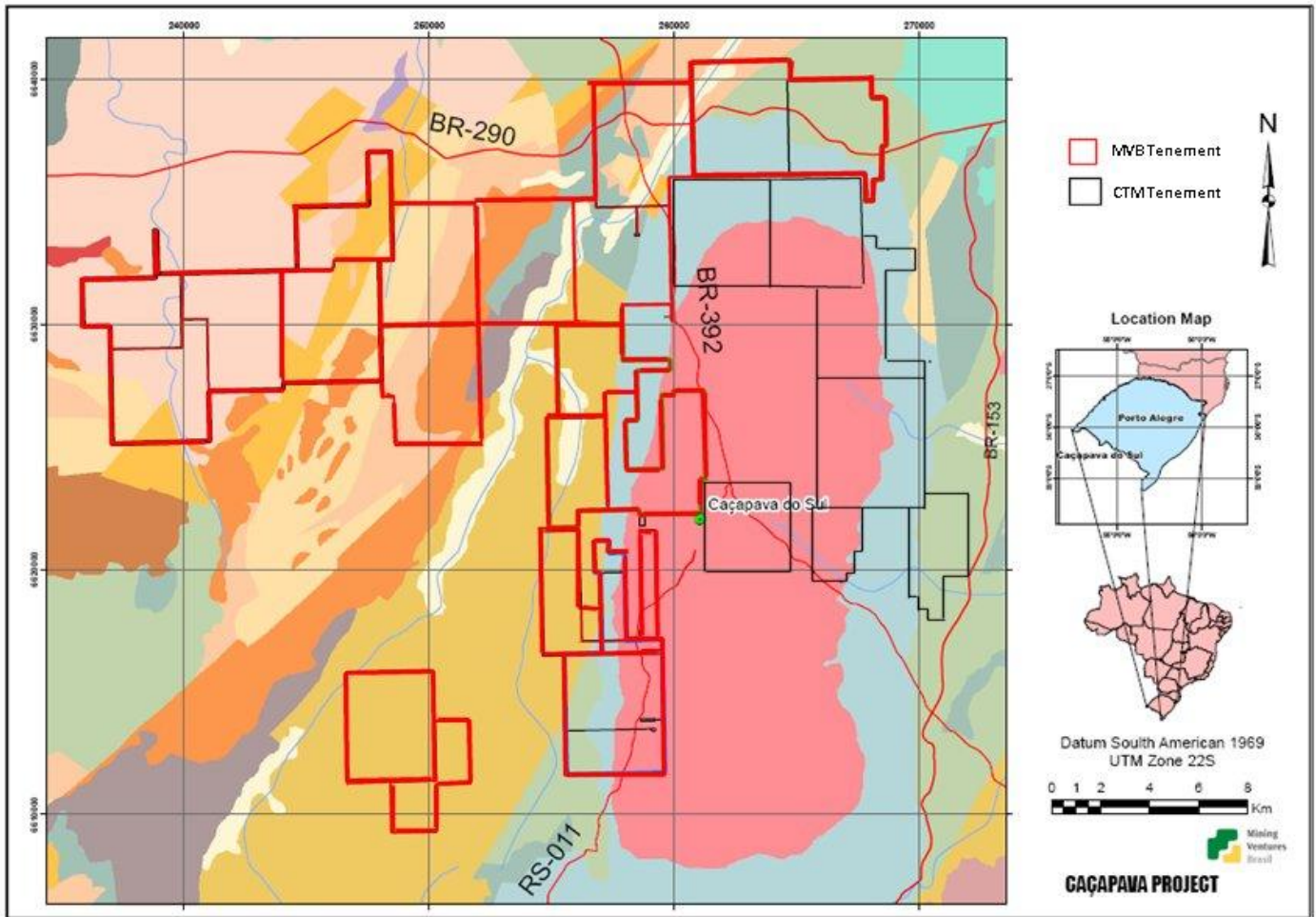


Figure 2 – Location Map of Centaurus' and Mining Venture's Tenements at the Caçapava do Sul Project