AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

25 August 2011

MAIDEN DRILLING AT SERRA DA LONTRA SET FOR OCTOBER START FOLLOWING POSITIVE SAMPLING RESULTS

Surface sampling grades of 35-58% Fe returned from two +1km long structures

- **Detailed geological mapping further extends the strike length of previously mapped itabirite mineralisation and identifies new mineralised zones within the tenement limits.**
- **New outcrop sampling results confirm that the surface grade of the mineralisation is between 35% and 58% Fe with low Al_2O_3 and P.**
- **Mineralisation expected to beneficiate well to a high grade (+65%) hematite product.**
- **More than 65 km of grid lines have been opened up in preparation for the start of a ground magnetic survey planned to commence at the end of August.**
- **Principal landowner agreements signed and environmental studies for drilling licences completed – clearing the way for drilling to commence in October 2011.**

International iron ore company Centaurus Metals Ltd. (ASX Code: CTM) is pleased to announce that recently commenced exploration on its newly acquired **Serra da Lontra Iron Ore Project** in south-east Brazil has returned encouraging results, providing a strong foundation for the first drilling program planned to start in October 2011.

Serra da Lontra, which is located 140 kilometres from the regional export port of **Ilhéus**, in the State of Bahia, Brazil (*see Figure 1*) is expected to provide the foundation for an iron ore export business for Centaurus, complementing its existing domestic iron ore development strategy.

Encouraging results have been returned from initial detailed geological mapping and rock chip sampling at Serra da Lontra. Mapping has confirmed that the main itabirite zone, called the **Senna Prospect** (previously called Serra Pelada), has a **strike length of some 1.2 kilometres** (*see Figure 2*) with an estimated true width of between 40 to 55 metres and dipping 40-60° towards the east, sub-parallel to the slope of the ridge.

The **Fittipaldi Prospect** (previously called Boa Esperança)**,** located 1.2 kilometres to the northeast of the Senna Prospect, has been extended, through the mapping work, by approximately 600 metres to around **1.1 kilometres of strike length** with a second itabirite zone of similar length running in parallel (*see Figure 2*). Both zones within the Fittipaldi Prospect have estimated true widths of between 30 to 40 metres and dip between 40-60° towards the east.

Systematic outcrop sampling has been undertaken during the mapping process with the results to date confirming that **the iron grade of the itabirite ranges between 39% and 55% Fe (with an average grade of 47.2% Fe).** Alumina (Al_2O_3) grades are between 0.50% and 2.00% and Phosphorus (P) grades are between 0.05% and 0.10% (*see Figure 2*).

The canga, which is located down slope from the primary itabirite outcrops, has to-date also shown iron grades ranging from 35% to 58% Fe (with an average grade of 48.8% Fe). A full table of rock chip sample results is set out in Table 1. Some further assay results are pending. The location of these samples is shown on the map at Figure 2.

Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Alameda do Ingá, 95
Vale do Sereno, Nova Lima
MG 34000-000

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000

The geological mapping and sampling results received so far provide strong support for the previously announced Exploration Target for the Serra da Lontra Project of **30 to 50 million tonnes of itabirite ore at 35-45% Fe**[1].

Based on the physical nature of the itabirite and the outcrop assay results, the Company is confident that the itabirite mineralisation should beneficiate well to a high grade (+65%) hematite product at a relatively high mass recovery.

The Company's exploration team has opened over 65 kilometres of survey lines in preparation for a detailed ground magnetic survey over the tenement area, scheduled to commence at the end of August. The survey lines are currently being utilised for the detailed geological mapping. InterGeo, a geophysics specialist from Brasilia, expect to complete the survey and all data processing by the end of September.

The first drill program at the Serra da Lontra Project is planned to start in October. Preliminary drill plans for the Project include 2,500 metres of diamond drilling and 5,000 metres of RC drilling. The award of the drill contract is expected to be made in early September.

The principal landowner agreements have been signed and the environmental studies for the drilling licence have been completed. The application for the drilling licence is expected to be lodged shortly with the State environmental agency and should be approved within four weeks.

Commenting on the exploration progress at Serra da Lontra, Centaurus' Managing Director, Mr Darren Gordon, said: *"We are really excited about the results of the initial exploration activities. The grades of mineralisation identified in the mapping and sampling program provides us with a strong foundation for the first drill program.*

"The substantial potential of the area has been clearly demonstrated by this first systematic ground mapping and sampling program, which has already doubled the strike length of one of the key prospect areas. We are hopeful that the upcoming ground magnetic survey can also identify some more drill targets before the October drill campaign gets underway.

"With the port of Ilhéus being just 140 kilometres away by sealed highway, the Serra da Lontra Project offers excellent logistics for development of a 1-2Mtpa export project. We are excited by the iron ore prospects of the Ilhéus region and we are gearing up to make a significant push into the State of Bahia to support the Company's future export plans."

-ENDS-

Released By:

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

On behalf of:

Mr Darren Gordon
Managing Director
Centaurus Metals Ltd
Tel: (+61-8) 9420 4000

Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Geologist Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy and by Geologist Dr Klaus Petersen who is a Member of the Australasia Institute of Mining and Metallurgy and CREA (Conselho Regional de Engenharia e Agronomia). Roger Fitzhardinge and Klaus Petersen are permanent employees of Centaurus Metals Limited.

Roger Fitzhardinge and Dr Klaus Petersen have sufficient experience which is relevant to the style of mineralisation 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 Dr Klaus Petersen consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

[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.*

Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Alameda do Ingá, 95
Vale do Sereno, Nova Lima
MG 34000-000

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000

Figure 1 –Location Map Showing Infrastructure in the Immediate Locality of Serra da Lontra.

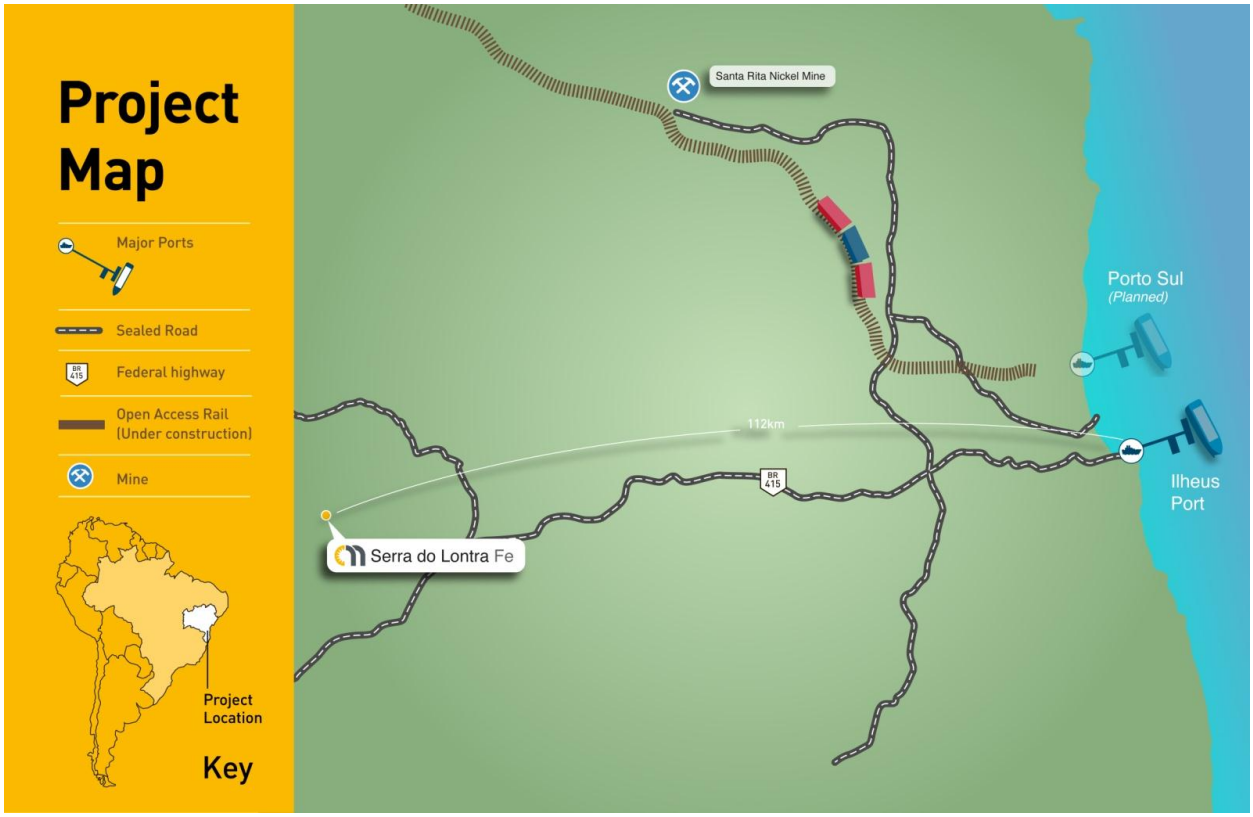


Table 1 – Serra da Lontra Project - Outcrop sample Results – August, 2011.

Project	Sample ID	Sample Type	Rock Type	SAD East	SAD North	mRL	Fe%	SiO_2%	Al_2O_3%	P%	LOI
Serra da Lontra	16-RO-1500001	Outcrop	Canga	388621	8350947	952	53.4	7.5	4.5	0.134	10.69
Serra da Lontra	16-RO-1500002	Outcrop	Canga	388574	8350905	963	57.1	9.1	1.6	0.052	6.24
Serra da Lontra	16-RO-1500003	Outcrop	Canga	388430	8350999	970	47.5	19.3	3.6	0.071	7.79
Serra da Lontra	16-RO-1500004	Outcrop	Itabirite	388414	8351045	978	46.8	29.7	0.5	0.073	1.85
Serra da Lontra	16-RO-1500005	Outcrop	Itabirite	388371	8351161	995	48.3	25.3	0.5	0.224	4.45
Serra da Lontra	16-RO-1500006	Outcrop	Itabirite	388353	8351309	992	55.3	15.7	0.5	0.052	3.69
Serra da Lontra	16-RO-1500007	Outcrop	Canga	388297	8351278	972	50.1	16.6	1.6	0.082	8.37
Serra da Lontra	16-RO-1500008	Outcrop	Itabirite	388426	8351323	967	51.5	17.0	1.3	0.261	5.91
Serra da Lontra	16-RO-1500009	Outcrop	Canga	388379	8351557	949	44.3	28.7	1.4	0.121	5.63
Serra da Lontra	16-RO-1500010	Outcrop	Canga	388422	8351935	967	53.0	15.4	1.2	0.062	6.63
Serra da Lontra	16-RO-1500011	Outcrop	Canga	388410	8352020	991	51.6	18.5	1.2	0.207	4.53
Serra da Lontra	16-RO-1500012	Outcrop	Itabirite	388287	8352103	1004	39.6	34.2	1.9	0.062	6.27
Serra da Lontra	16-RO-1500013	Outcrop	Itabirite	389486	8352064	778	43.9	30.0	1.0	0.040	4.29
Serra da Lontra	16-RO-1500014	Outcrop	Itabirite	389504	8351914	760	40.6	35.9	0.9	0.049	4.44
Serra da Lontra	16-RO-1500015	Outcrop	Itabirite	389505	8352222	779	45.9	31.6	0.4	0.055	1.87
Serra da Lontra	16-RO-1500016	Outcrop	Itabirite	388370	8351619	939	52.9	17.1	1.9	0.084	5.32
Serra da Lontra	16-RO-1500017	Outcrop	Itabirite	388396	8351101	991	47.3	27.5	0.5	0.048	3.72
Serra da Lontra	16-RO-1500018	Outcrop	Canga	388493	8352099	964	35.7	5.7	26.0	0.084	15.75
Serra da Lontra	16-RO-1500019	Outcrop	Canga	388305	8352101	1007	37.5	35.7	4.3	0.080	6.26
Serra da Lontra	16-RO-1500020	Outcrop	Itabirite	388295	8352119	1007	47.6	23.8	1.5	0.062	6.04
Serra da Lontra	16-RO-1500021	Outcrop	Canga	388647	8351098	914	57.9	8.7	2.8	0.061	5.34
Serra da Lontra	IGU-SLO-CS-01	Outcrop	Itabirite	389496	8352292	758	43.9	33.4	0.4	0.045	1.90
Serra da Lontra	IGU-SLO-CS-02	Outcrop	Itabirite	389634	8352200	699	36.7	44.3	0.5	0.053	-0.76
Serra da Lontra	IGU-SLO-CS-03	Outcrop	Itabirite	388348	8351320	967	56.8	10.8	1.1	0.107	5.37
Serra da Lontra	IGU-SLO-CS-04	Outcrop	Itabirite	388415	8351044	951	43.2	35.1	0.4	0.089	2.06
Serra da Lontra	IGU-SLO-CS-05	Outcrop	Itabirite	388392	8351121	973	51.0	22.7	0.3	0.108	2.64

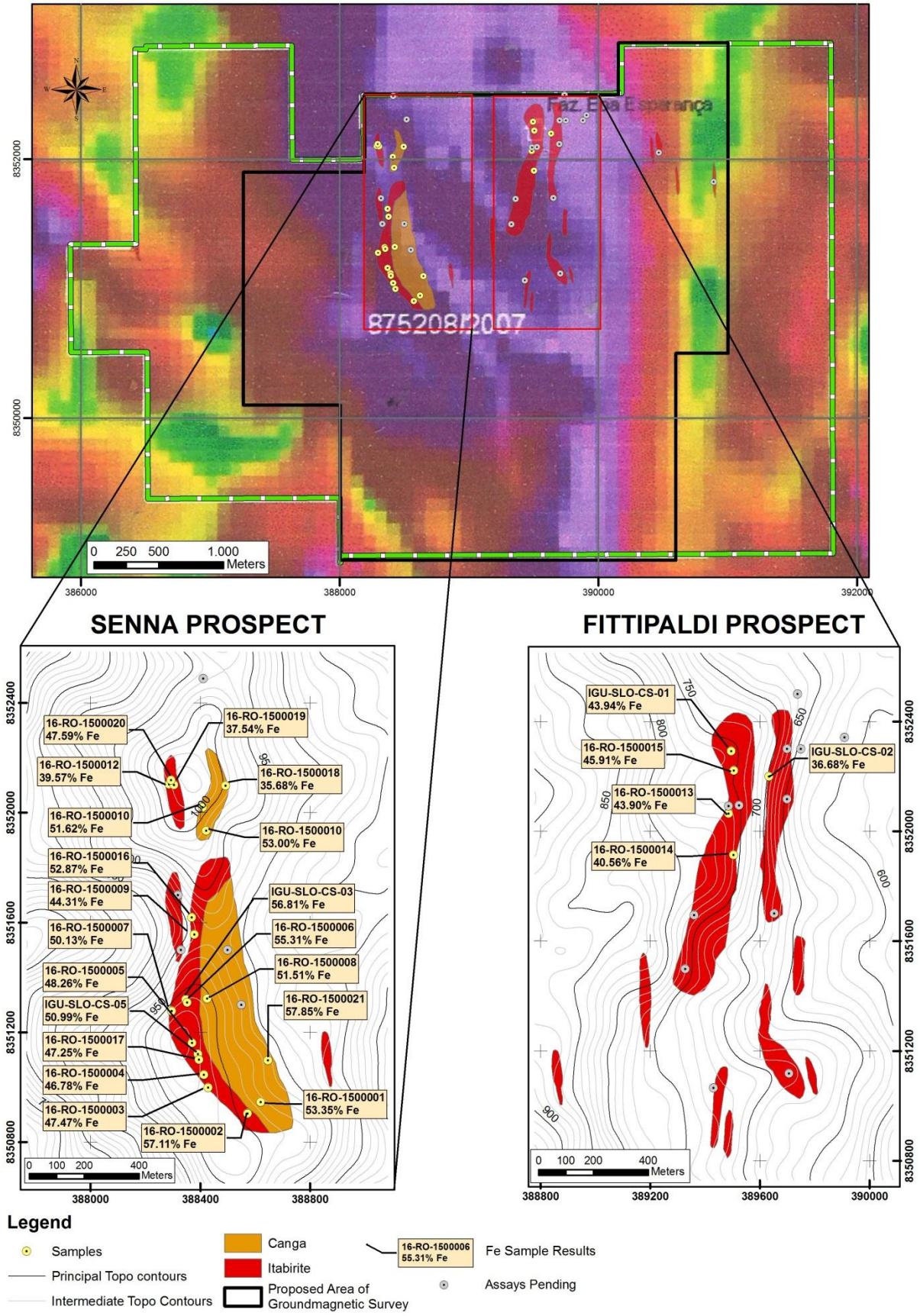
*All samples were analysed using an XRF fusion method with LOI at 1000 0C

Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Alameda do Ingá, 95
Vale do Sereno, Nova Lima
MG 34000-000

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000

Figure 2 –Serra da Lontra Iron Ore Project Map – Outcrop sample Results – August, 2011.



Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Alameda do Ingá, 95
Vale do Sereno, Nova Lima
MG 34000-000

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000