

MARCH 2010 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Completion of merger between Glengarry Resources Limited and Centaurus Resources Limited to create a new international iron ore company.**
- **Change of name from Glengarry Resources Limited to Centaurus Metals Limited.**
- **Significant expansion of Iron Ore tenements in Brazil via transaction with Cenibra, a major Brazilian pulp company.**
 - **Jambreiro Prospect already identified as a priority target.**
- **Project Updates**
 - **Exploration commences and targets identified on Cenibra Tenements.**
 - **Resource expansion drilling at Passabem commences.**
 - **Preparing for infill Resource drilling at Itambé.**
 - **Ground Magnetic surveys planned prior to drilling at Rio Pardo Project and Jambreiro Prospect.**

COMPLETION OF OFF MARKET TAKEOVER OF CENTAURUS RESOURCES

Following the closure of Glengarry Resources Limited's successful off market takeover bid for all of the fully paid ordinary shares and options in Centaurus Resources Limited on 20 January 2010, and the subsequent completion of the compulsory acquisition process, Glengarry Resources acquired 100% of Centaurus Resources Limited's options and shares on 19 March 2010.

On 31 March 2010 Glengarry shareholders approved a change of name of the Company from Glengarry Resources Limited to Centaurus Metals Limited. On 13 April 2010, all ASIC and ASX registration procedures were completed to finalise the change of name and the Company is now trading under its new name and **ASX code: CTM.**

DUAL DEVELOPMENT STRATEGY IN BRAZIL

Centaurus Metals has outlined its dual development strategy in Brazil to build a substantial new international iron ore production company making it one of the few ASX-listed companies offering direct exposure to the rapid development and growth of the Brazilian and the fellow Mercosur¹ free trade association members.

Brazil, with a population of over 190 million, is becoming the manufacturing centre for Mercosur countries. This manufacturing base, together with the growth in construction ahead of the 2014 Soccer World Cup and 2016 Olympic Games, supports the International Monetary Fund's recent forecast that Brazil's economy is anticipated to grow at 4.7% in 2010 and 3.7% in 2011, becoming one of the world's fastest recovering economies from the recent Global Financial Crisis.

As recently as late March 2010, the Brazilian Government announced a US\$886 billion infrastructure investment plan that should be carried out by the President Lula's chosen successor, Cabinet Chief Dilma Rousseff, should she win the country's October presidential election.

The Company's growth strategy will leverage off the existing team of professionals in Centaurus Metals' Belo Horizonte office and the substantial tenement and project position in and around the Iron Quadrangle in the State of Minas Gerais, the heart of the Brazilian iron and steel industries.

Domestic Iron and Steel Strategy

The first limb of the strategy is the Domestic Iron & Steel Strategy ("Domestic Strategy") which is based on Centaurus Metals achieving targeted annualised production of at least 3Mtpa of iron ore grading +63% Fe by the end of 2013 which will be sold into the substantial domestic steel industry in Brazil.

The Iron Quadrangle's proximity to the Domestic Steel Industry in Brazil is analogous to having a "Pilbara" on the Korean Peninsula or in the Japanese archipelago. Being located in the midst of a growing 40Mtpa Brazilian steel customer base allows Centaurus Metals to differentiate itself from many other Australian listed iron ore companies, which face the significant barriers to market entry of extensive and costly infrastructure.

Some of the biggest global steel producers, and potential customers, are located within 100 kilometres of the Company's Brazilian projects and extensive tenement portfolio.

The State of Minas Gerais, in which Centaurus Metals' projects are located, accounts for over 60%, or 170Mtpa of Brazil's iron ore production. Significant investment has already been committed to the region with three of the country's largest steelmakers, Gerdau, Arcelor Mittal and Usiminas, commencing multi-billion dollar expansions of their capacity in the immediate vicinity of the Iron Quadrangle.

Centaurus Metals' projects are strategically located close to the heart of this world-class industry, enabling the Company to sell its suite of proposed products at the mine gate, without incurring large capital costs on infrastructure such as rail, port, power and water. The Company's objective is to initially produce iron ore for the domestic market at an operating margin of at least US\$20/tonne.

¹Mercosur is composed of 4 sovereign member states: Brazil, Argentina, Paraguay, and Uruguay and has a combined population of 240 million people.

Centaurus Metals anticipates moving quickly and efficiently towards production to generate strong cash flows which will underpin its growth in the short-to-medium term.

Export Market Strategy

Another important factor differentiating Brazil, and hence Centaurus Metals, is the very high quality of iron ore products produced in the country, which supports the Company's medium term intention to implement an Export Market Strategy.

Rapidly declining availability and quality of high grade DSO lump worldwide has driven steel producers to far greater dependence on prepared feeds, especially sinter. This, together with the worldwide push to reduce carbon footprints is driving steel producers to demand higher quality raw materials. The highest grade, lowest silica sinter feed will come out of Brazil, which hosts what are probably the largest known resources in the world.

Under the Export Market Strategy, which will leverage off the cash flow to be generated by Centaurus Metals' Domestic Strategy, the Company aims to acquire or develop from its existing asset base a project capable of producing 12-15Mtpa of 64-69% Fe product for a minimum project life of 10 years.

The Company has already commenced activities on several of its existing projects and is also currently reviewing a number of other exciting potential acquisition and/or Joint Venture opportunities which could enable it to realise the Export Market component of its overall business plan.

SIGNIFICANT EXPANSION OF IRON ORE TENEMENT PORTFOLIO

In February 2010, Centaurus Metals Limited reached agreement with a leading Brazilian pulp company, Celulose Nipo-Brasileira S.A. ("Cenibra"), to secure ownership of an extensive portfolio of iron ore exploration tenements in south-east Brazil.

The portfolio, comprising a large exploration area of 62 granted Exploration Licences including several with mapped iron formations, covers an area of 1,014 square kilometres in the State of Minas Gerais, around Brazil's world-renowned "Iron Quadrangle" (Figure 1).

The Cenibra tenements are logistically well placed within the State of Minas Gerais and most of the known iron ore occurrences lie on tenements that have road access to the city of Ipatinga located in the heart of the "Steel Valley" (Figure 1), where one of the largest Steel makers in Brazil, Usiminas, has recently commenced an expansion of its capacity to 10 million tonnes per annum.

Importantly, with Cenibra owning all of the surface rights for its plantations, future exploration and development is not expected to encounter any land-owner issues and will also enjoy significantly reduced environmental approvals. The fast and simple licensing requirements will make the Cenibra tenements an attractive development proposition, should sufficient iron ore resources be defined.

The key terms of the agreement with Cenibra are:

- A 'free look' evaluation period of five months over three key regional tenement groups;

- Following this evaluation period, if Centaurus wishes to move to exploration on any tenement within one of the three regional groups of tenements, a payment of US\$15,000 per regional group is to be made (maximum payment of US\$45,000). All Exploration Licences in each regional group are transferred to Centaurus (100%) when the payments are made;
- Should Centaurus wish to progress any of the tenements to a Mining Lease, a payment of US\$50,000 per regional group is to be made upon approval by the Department of Mines (DNPM) of the initial documentation required for the Mining Lease (Maximum payment of US\$150,000 should Centaurus decide to apply for a mining lease in all three groups);
- Future resource based payments are then to be made on the In-situ Measured and Indicated Mineral Resources as defined in the Plan of Economic Exploitation (PAE) which is equivalent to a Feasibility Study and which is required to be completed and lodged with the DNPM prior to the grant of a mining lease;
- The future resource-based payment is a one-off calculation for each Mining Lease and will be determined according to a schedule of rates and the grade of the in situ Measured and Indicated Resources. It will be paid in three instalments:
 - 20% within thirty days after the lodging of the PAE;
 - 30% within two years of lodging the PAE; and
 - 50% within four years of lodging the PAE.

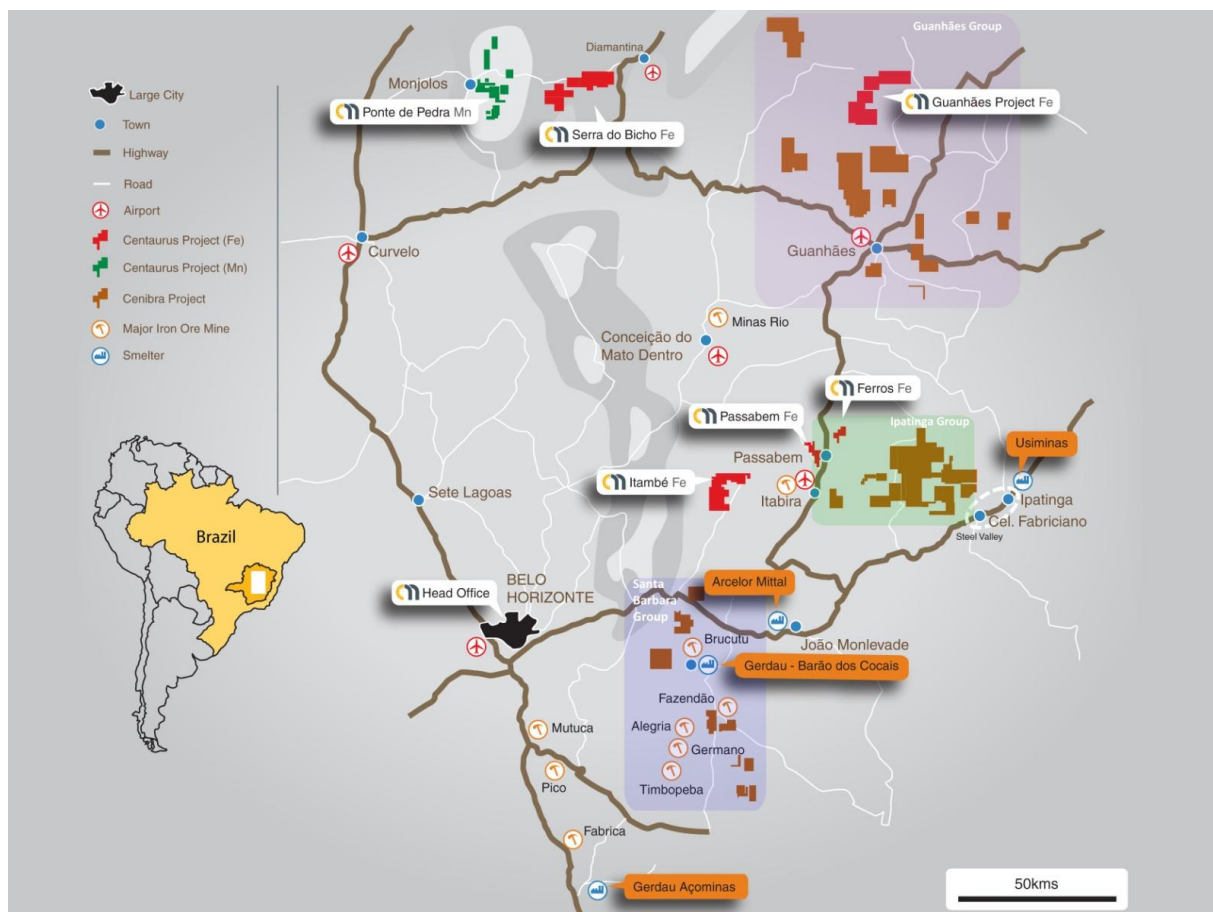


Figure 1 - Location of the Cenibra Tenements (brown) relative to the Centaurus Projects and Key Mines of the Iron Quadrangle.

PROJECT UPDATES

Cenibra Project Exploration

Centaurus Metals has commenced its initial exploration and review activities on the Cenibra tenement package. Centaurus' initial field review commenced during the Quarter and is expected to be completed during the June Quarter. Output from the initial field review is being consolidated by the Company with Cenibra's existing project data and will be used to determine which tenements are progressed through to acquisition and advanced exploration.

While exploration of the entire tenement package has commenced, one prospect, known as the **Jambreiro Prospect**, has already been identified as a priority target with potentially significant iron ore and is being quickly progressed to an advanced exploration phase including geophysical surveys and drilling.

Passabem Iron Ore Project

Resource definition drilling commenced at the Passabem Iron Ore Project during early April. The program is aimed at extending the current Inferred Resource of 2.6Mt, which has been defined over a 500 metre zone, within a much larger 5.2 kilometre long mapped itabirite iron formation (Figure 2).

The current program will drill test the remaining 4.7 kilometres of strike with a diamond drill rig with a view to expanding the Resource to between **15 and 25 million tonnes grading 30 to 32% Fe²**. In addition, one diamond drill hole will also be drilled into the existing resource area to provide further sample for additional metallurgical test work.

The drilling program is expected to take approximately six weeks to complete. Resource modelling and a conceptual mining study will follow thereafter.

The Passabem Project is part of Centaurus Metals' extensive portfolio of iron ore projects in the Iron Quadrangle region of south-eastern Brazil and is being evaluated for its potential to contribute to the Company's production target of 3mtpa of high grade iron ore sales into the Brazilian domestic steel market by 2013.

² These targets of Iron Ore tonnage and grade are only conceptual in nature as there has been insufficient or unverified exploration data to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

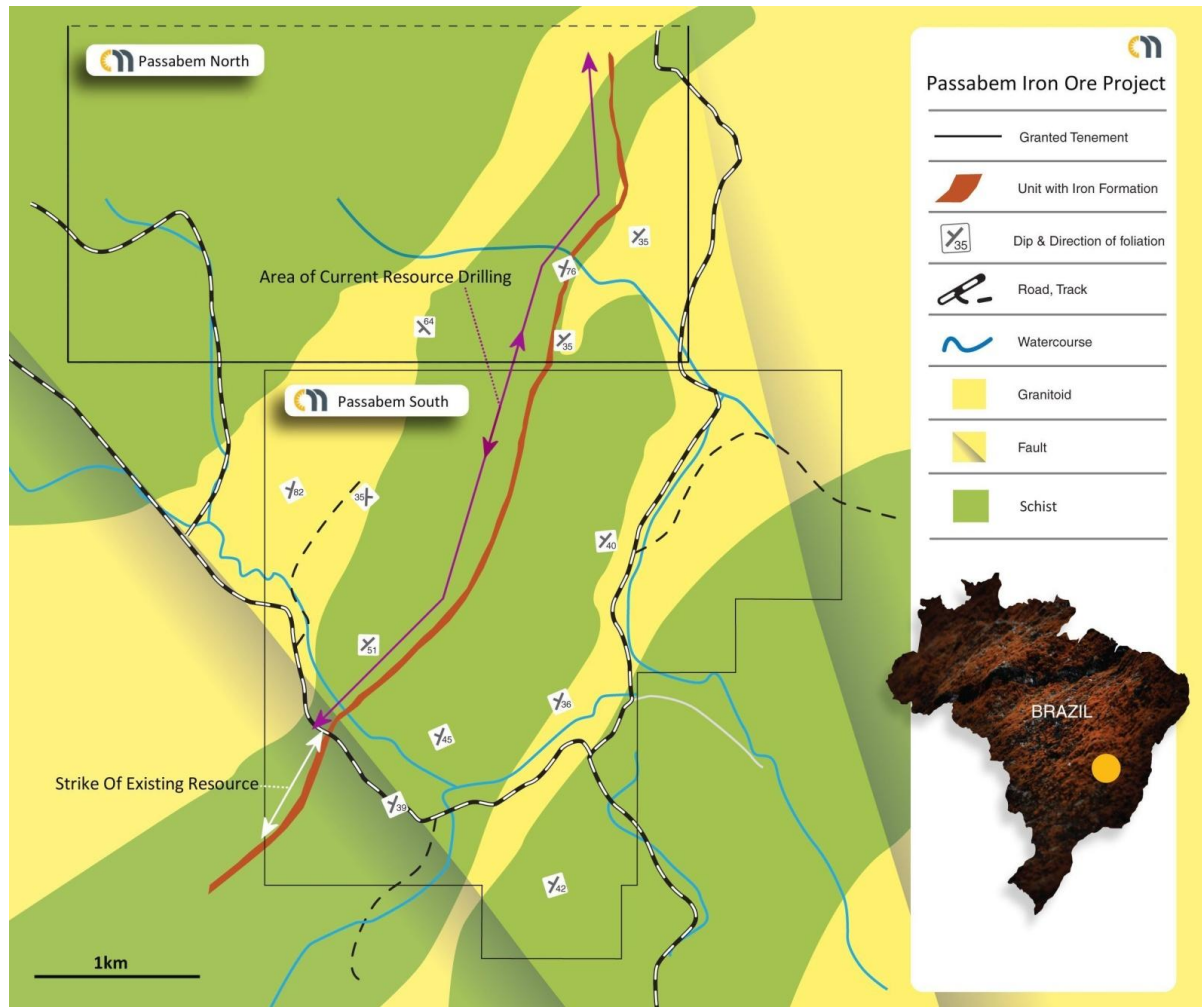


Figure 2 - Passabem tenements showing the length of iron formation to be drilled during the current resource drilling program.

Itambé Iron Ore Project

The Itambé Project forms part of the Company's Domestic Iron and Steel Strategy and work is continuing on the licensing and approvals for the project. From a licensing perspective it is expected that the Final Report, which is the first step in the mining licence approvals process, should be approved during the June Quarter. The Company also expects to commence further resource infill drilling at the Itambé Project during the June Quarter.

The current Inferred Resource at Itambé is estimated at 15.5Mt at 37.2% Fe. Initial beneficiation test work indicates that the Itambé mineralisation is easily upgraded via a simple gravity or low intensity magnetic separation process to produce a +65% Fe product with very low impurities. This upgrade process is low cost due to the friable nature of the mineralisation.

Rio Pardo Iron Ore Project

The Rio Pardo Project consists of three granted exploration tenements and totals 56.6 km². The project is located in the far north of the state of Minas Gerais (Figure 3). The Rio Pardo region has been the subject of large scale exploration over the last few years by large and mid tier resource companies targeting multi-billion tonne iron ore resources.

Government aeromagnetic data indicates that the Company's Rio Pardo tenements cover a significant magnetic anomaly (15 kilometres long) which is approximately 15 kilometres north-east, along strike, from known iron ore mineralisation.

Centaurus has identified a prospective mineralisation zone and planned a high resolution ground magnetic survey to assist with the targeting of this mineralisation. The survey results will be used in conjunction with existing field mapping to target and plan a scout drilling campaign designed to gauge the resource potential of the project.



Figure 3 – Location Map of the Company's Export Strategy Projects within the State of Minas Gerais relative to the Company's Key Domestic Projects and Key Regional Ports

Itamarandiba Iron Ore Project

The Itamarandiba Project is located approximately 300 kilometres north east of Belo Horizonte (Figure 3) and comprises 168.6km² of recently granted tenure. Centaurus Metals is planning reconnaissance mapping of the Project to further understand the Project's potential to host a large scale iron ore deposit for the export market.

Serra do Bicho Iron Ore Project

The Serra do Bicho Project is located approximately 200 kilometres to the north of Belo Horizonte (Figure 1). The Project consists of 7 recently granted tenements totalling 104km². Initial reconnaissance mapping at Serra do Bicho will be undertaken to determine the source of the 13 kilometre by 5 kilometre magnetic anomaly which underlies the tenement package.

Guanhães Iron Ore Project

In what is becoming an important regional area for Centaurus Metals, the Guanhães Project is a substantial tenement package in close proximity to several of the Cenibra tenements, including the previously mentioned Jambreiro Prospect. The Guanhães Project consists of 7 tenements comprising 130.6km² overlying an unexplained magnetic anomaly. A program of work is being compiled to commence exploration on this Project.

BRAZILIAN NON FERROUS PROJECTS

During the Quarter, reconnaissance mapping and rock chip sampling was undertaken at the Caçapava do Sul Gold and Base Metal Project located in the far South of Brazil near the Uruguayan border. The area is prospective for large tonnage, moderate grade IOCG style gold and base metal deposits. Results from the sampling program included:

ROCK CHIP SAMPLE	Au g/t	Cu%	Pb%	Zn%
CPS-RO-0017	2.62	0.12	0.04	0.07
CPS-RO-0023	3.27	0.17	0.01	0.04
CPS-RO-0025	4.47	0.09	0.01	0.02
CPS-RO-0026	2.98	0.07	0.08	0.08
CPS-RO-0031	0.05	0.13	1.58	0.11
CPS-RO-0032	0.08	0.26	3.34	0.15

Whilst the results are very encouraging, the Company remains focussed on its key iron ore projects. As a result of this iron ore focus, the Company has entered into advanced discussions with interested parties regarding the potential sale and/or Joint Venture of these Brazilian non-ferrous projects.

AUSTRALIAN NON FERROUS PROJECTS

No work was conducted on the Percyvale, Citadel or the Dish projects during the Quarter. Discussions are continuing with interested parties regarding the sale of these projects.

During March 2010, Ivanhoe Australia Limited withdrew from a farm-in arrangement at Centaurus' Snake Creek Project citing negligible exploration success on the tenement.

CORPORATE

Non Core Asset Divestment

Centaurus is in advanced discussions with interested parties regarding the disposal of several of its non-ferrous projects in both Brazil and Australia.

Liberdade Iron Ore Project

Since Centaurus initiated legal action against its Liberdade Project Joint Venture partner for breach of contract in September 2009, the legal action has proceeded quickly and smoothly and a decision from the court is expected in the middle of 2010.

Change of Address

On 30 March 2010, the Company relocated offices to **Level 1, 16 Ord Street, West Perth 6005**. The Company's mailing address remains **PO Box 975, West Perth, WA 6872**.

Cash Position

At 31 March 2010, the Company held cash reserves of approximately A\$7.07 million.

Shareholder Information

At 31 March 2010, the Company had 604,398,639 shares on issue with the Top 20 holding 31.4% of the total issued capital. Directors and Senior Management held 14.7% of the total issued capital.



Darren Gordon
MANAGING DIRECTOR

Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Cullen who is a Member of the AusIMM. Ian Cullen is a permanent employee of Centaurus Metals Limited. Ian Cullen has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Reserves'. Ian Cullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.