

4 March 2011

POSITIVE TRENCHING RESULTS ENHANCE JAMBREIRO PROJECT

RESOURCE UPGRADE DRILLING CAMPAIGN UNDERWAY – FOUR DRILL RIGS ON SITE

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to report encouraging results from a recent trenching program at its flagship **Jambreiro Iron Ore Project** in the State of Minas Gerais, south-east Brazil which has confirmed both the grade and friable nature of the ore.

The trenching program – which comprised a total of 32 trenches for 1,500 metres (see *Figure 2 for location of trenches*) – was successful in defining the ore contacts over most of the current resource base at Jambreiro (JORC compliant Inferred Mineral Resource of **77Mt grading 29.5% Fe**), as well as extending the ore contacts to the south east where drilling has not yet been undertaken nor a resource defined.

Highlights of the trenching assay results include:

Trench ID	Trench Interval	Fe%*	SiO ₂ %	Al ₂ O ₃ %	P%
TR 0001	34.00	35.7	44.0	2.8	0.027
TR 0006	36.00	33.8	48.2	1.9	0.015
TR 0007	64.00	33.6	45.9	3.7	0.021
TR 0012	14.00	35.5	44.5	3.0	0.020
TR 0014	48.00	35.3	45.0	2.6	0.017
TR 0022	36.00	34.1	48.9	1.3	0.021
TR 0024	10.00	38.1	39.9	3.2	0.024
TR 0025	40.00	33.3	48.7	2.6	0.022

**20% cut-off; continuous intervals*

The results have confirmed the highly friable nature of Jambreiro ore at surface, the comparatively higher grade nature of this friable ore and the location of the footwall and hangingwall contacts for each prospect within the Project area.

With the trenching program targeting the footwall and hangingwall contacts of the prospect areas at Jambreiro, most trenches were often commencing or finishing in mineralisation. TR007, which returned a continuous interval of **64 metres at an average grade of 33.6% Fe**, was the only trench which intersected the footwall contact and hangingwall contact in the same trench. This interval demonstrates particularly well the continuous nature of the friable surface mineralisation found within the 1.1 kilometre Tigre Prospect.

Trench TR0014, which **returned an average grade of 35.3% Fe** over a continuous interval of 48 metres, has identified the extension of the hangingwall contact to the south east of the current resource limits. This hangingwall contact is 78 metres from the footwall contact found in trench TR0015 (**12m at 29.4% Fe**). The current drill program will test the extension of the current resource limits to the south east.



The trenching work has significantly enhanced the definition of drill targets for the current round of exploration and resource upgrade drilling. Three diamond rigs and one RC rig are currently on site and are underway on a 5,000 metre resource upgrade and exploration drill program.

-ENDS-

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Competent Person’s Statement

The information in this report that relates to Exploration Results and Mineral Resources for the Jambreiro Iron Ore Project 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.

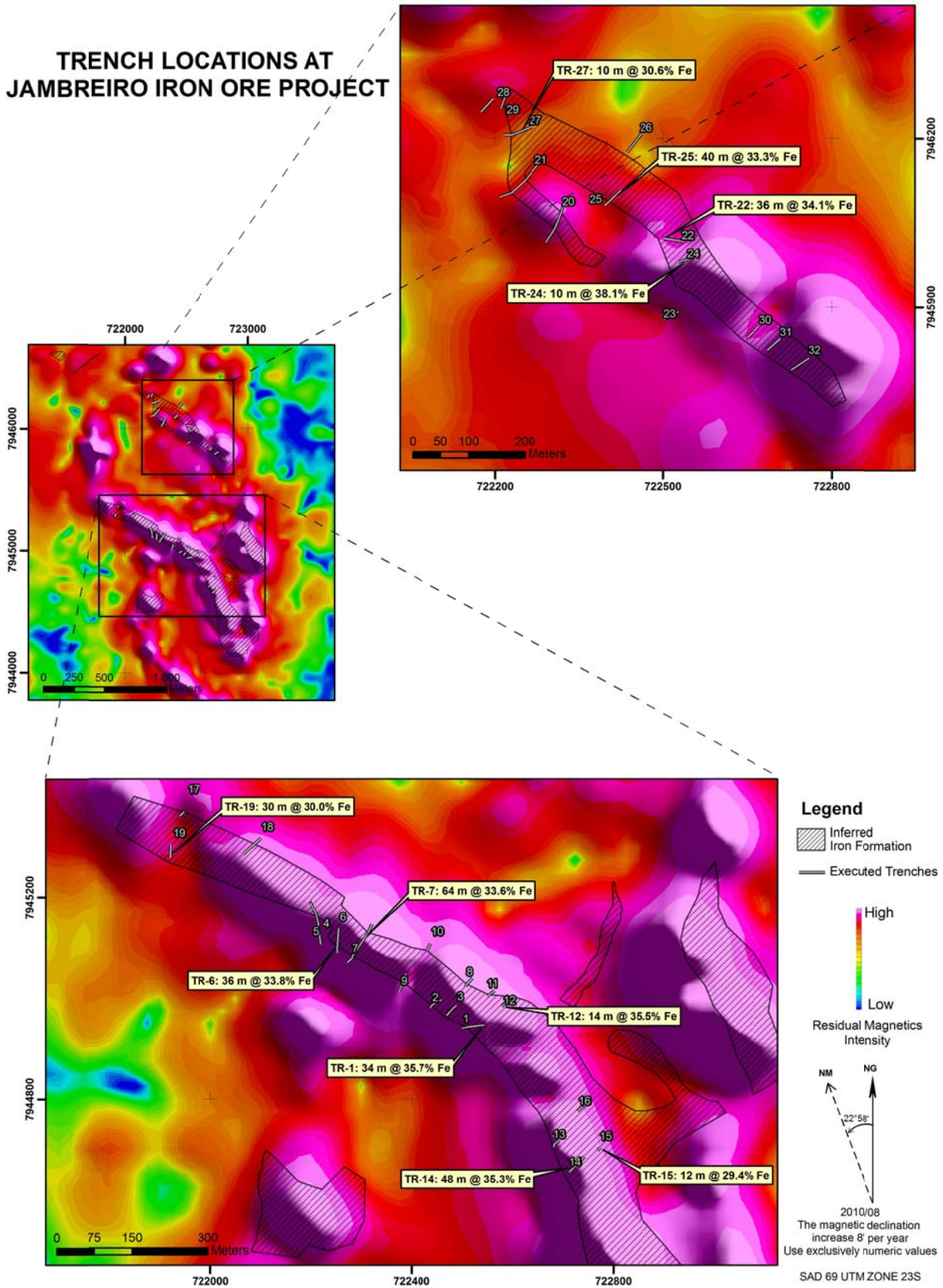
Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the ‘Australasian Code for Reporting 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.

Figure 1 – Photos Showing Trenching across the Ore Zone at Tigre Prospect, Jambreiro.





Figure 2 – Map of the Jambreiro Iron Ore Project Showing Trench Locations



* A number of trenches returned results with no significant iron mineralisation intersection. In some of these cases only transported soil cover was encountered. Only where the in situ contacts were exposed was the surface interpretation adjusted accordingly.



**Table 1 – Jambreiro Trench Program Assay Results
March 2011**

Hole ID	Trench Interval	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Coordinates		
						East	North	mRL
TR 0001	34.00	35.7	44.0	2.8	0.027	722502	7944938	972
TR 0002	12.00	25.7	58.0	2.9	0.034	722442	7944980	960
TR 0003	26.00	28.7	53.8	3.0	0.022	722491	7944982	964
TR 0004	16.00	33.3	45.3	3.9	0.039	722221	7945130	923
TR 0005	<i>No Significant Intersection</i>					722221	7945133	927
TR 0006	36.00	33.8	48.2	1.9	0.015	722258	7945140	921
TR 0007	64.00	33.6	45.9	3.7	0.021	722282	7945077	930
TR 0008	<i>No Significant Intersection</i>					722509	7945031	948
TR 0009	14.00	30.2	49.7	4.1	0.045	722379	7945013	949
TR 0010	<i>No Significant Intersection</i>					722440	7945111	924
TR 0011	10.00	27.8	45.0	9.9	0.021	722549	7945008	951
TR 0012	14.00	35.5	44.5	3.0	0.020	722577	7944987	947
TR 0013	10.00	21.9	61.6	4.8	0.021	722681	7944708	1013
TR 0013	7.00	22.7	58.3	5.8	0.018	722681	7944708	1013
TR 0014	48.00	35.3	45.0	2.6	0.017	722712	7944653	1019
TR 0015	12.00	29.4	49.1	5.7	0.024	722773	7944704	993
TR 0016	6.00	28.3	52.2	4.4	0.019	722731	7944774	986
TR 0017	8.00	20.7	60.3	5.7	0.039	721955	7945392	843
TR 0018	<i>No Significant Intersection</i>					722101	7945318	893
TR 0019	30.00	30.0	51.9	2.7	0.030	721926	7945306	851
TR 0020	26.00	27.7	52.7	4.3	0.036	722320	7946077	876
TR 0021	52.00	28.1	51.4	5.0	0.043	722271	7946151	890
TR 0021	6.00	27.2	54.7	3.3	0.03	722533	7946017	916
TR 0022	36.00	34.1	48.9	1.3	0.021	722533	7946017	916
TR 0023	<i>No Significant Intersection</i>					722501	7945877	926
TR 0024	10.00	38.1	39.9	3.2	0.024	722543	7945984	925
TR 0025	40.00	33.3	48.7	2.6	0.022	722369	7946081	892
TR 0026	<i>No Significant Intersection</i>					722459	7946208	919
TR 0027	10.00	30.6	49.9	4.0	0.037	722261	7946221	927
TR 0028	<i>No Significant Intersection</i>					722204	7946272	947
TR 0029	9.00	32.7	50.6	1.7	0.018	722216	7946252	936
TR 0030	<i>No Significant Intersection</i>					722671	7945866	949
TR 0031	<i>No Significant Intersection</i>					722708	7945844	969
TR 0032	<i>No Significant Intersection</i>					722759	7945812	977

*20 % Fe cut-off; continuous intervals