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CentaurusMetals

9 June 2011

FURTHER ENCOURAGING RESULTS FROM JAMBREIRO DRILLING AHEAD OF JORC RESOURCE UPDATE

JORC Indicated Resource update expected in June – South East Extension drilling underway

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International iron ore company Centaurus Metals (ASX Code: **CTM**) is pleased to report further positive assay results from recently completed in-fill drilling at its flagship 100%-owned **Jambreiro Iron Ore Project** (JORC Inferred Resource of **77.1Mt at 29.5% Fe**) in south-east Brazil ahead of an expected resource update this month.

Drilling is also now underway at the **Galo** and **Cruzeiro** Prospects, with initial positive results received, as well as the interpreted south-east extension of the Tigre prospect, where there is potential to delineate additions to the current resource inventory.

Tigre Prospect

The first phase of drilling to convert the current JORC Inferred Resource at the Tigre Prospect (**69Mt grading 29.3% Fe Tigre Prospect**) to Indicated status is now complete. Highlights of recently received assay results include (*see attached tables in Appendix A and B for a list of recent drilling intersections*):

- **72.3 metres @ 30.4% Fe, 1.8% Al_2O_3 and 0.03% P** from 74.8 metres in Hole JBR-DD-11-00020
- **41.0 metres @ 36.3% Fe, 0.9% Al_2O_3 and 0.03% P** from 12 metres in Hole JBR-RC-11-00029
- **48.0 metres @ 33.3% Fe, 3.2% Al_2O_3 and 0.03% P** from 101 metres in Hole JBR-RC-11-00030
- **28.0 metres @ 35.2% Fe, 2.4% Al_2O_3 and 0.02% P** from surface in Hole JBR-RC-11-00037

The new results continue to demonstrate the continuity of grade and widths of the itabirite iron mineralisation at Tigre, both along strike and down-dip. Importantly, they also indicate that the depth of the friable mineralisation ranges from 60 up to 100 metres below surface, deeper than previously interpreted.

Deeper drilling in Sections 1 to 3 of the Tigre Prospect (see Figure 1) indicate that the compact mineralisation widths are narrowing at depth. It is expected that the upcoming Tigre Resource update will include smaller volumes of compact mineralisation in this north-west zone of the Prospect while increasing the volume of friable mineralisation.

Results from drill holes JBR-DD-11-00026 and JBR-RC-11-00034, on Sections 2 and 3 respectively, have confirmed the occurrence of a shallow friable itabirite mineralised zone, approximately 15 metres wide, above the current hanging wall of the main zone which is expected to have a positive impact on the strip ratio and continues to be tested with drilling.

Assay results from the final two drill holes at the Tigre Prospect to be used in the Resource upgrade are expected early next week. The receipt of these holes will allow completion of the updated JORC Resource estimate later this month. The planned upgrade to Indicated status will provide a more accurate geological interpretation and increase confidence in the ore body for mine scheduling and financing purposes.

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Galo and Cruzeiro Prospects

Since completing the in-fill drilling at Tigre (5,000m), the Company has completed a further 2,850 metres of exploration drilling (850 metres of Diamond and 2,000 metres of RC drilling). The first results from drilling targeting the **Galo** and **Cruzeiro** Prospects have been received. Highlights of the recently received assays include (*see attached tables in Appendix A and B for a list of recent drilling intersections*):

- **39.0 metres @ 34.4% Fe, 2.5% Al_2O_3 and 0.03% P** from 5 metres in Hole JBR-RC-11-00040
- **13.0 metres @ 33.1% Fe, 4.2% Al_2O_3 and 0.02% P** from surface in Hole JBR-RC-11-00041

The new results have confirmed the continuity of shallow friable mineralisation at the Cruzeiro Prospect. New drill hole JBR-RC-11-00040 (**39m at 34.4% Fe** from 5 metres) is located between existing holes JBR-DD-10-00007 (**27.8m at 30.4% Fe**) and JBR-RC-10-00024 (**31.0m at 34.4% Fe**) (Figure 1).

Cruzeiro and Galo are returning positive results that will be included in a global Resource update for the Jambreiro Project which is due to be completed in August 2011.

Tigre South East Extension Zone

Drilling has recently commenced to test the South East extension of the Tigre Prospect, where it 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. Initial results are very encouraging with drilling encountering wide zones of friable itabirite mineralisation similar to the main Tigre mineralised zone.

Results from the Tigre South East Extension Zone are expected in July and will also be included in the August 2011 Resource update.

Ongoing beneficiation test work continues to demonstrate that the *in situ* itabirite mineralisation at Jambreiro upgrades to a high grade hematite product. The low impurity levels in the final product when combined with the high iron grades will make the Jambreiro product highly sought after by the domestic steel industry in Brazil.

Centaurus' Managing Director, Mr Darren Gordon, said: "*We are very pleased by the latest results of drilling from the Tigre Prospect at Jambreiro, with the assays continuing to show excellent widths of mineralisation and continuity of grade and this data is now being used to upgrade the resource model for the main Tigre Prospect.*

"Outside of what is being done at Tigre we are pleased with the initial results of drilling at Cruzeiro and the nature of the mineralisation we are seeing in the drilling on the South East Extension Zone. The drilling in this zone is intersecting significant widths of friable itabirite mineralisation which is expected to ultimately allow us to expand the overall resource base at Jambreiro," he added.

-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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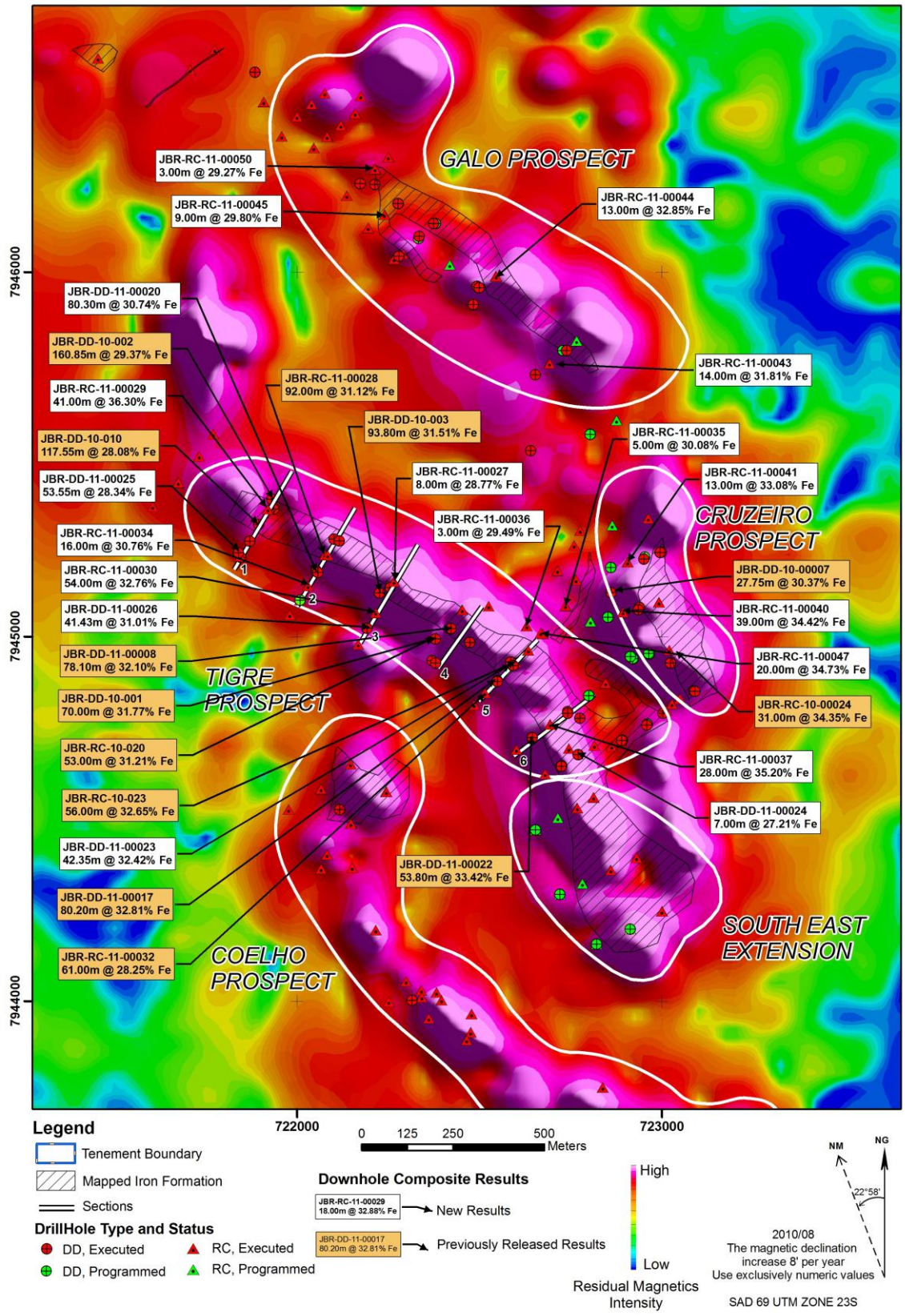
Figure 1 – Jambreiro Prospect Map with Cross Section Locations and Recent Results



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Appendix A – Jambreiro Iron Ore Project - New Diamond Drill Hole Results – June 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							16.55	24.55	8.00	33.82	43.34	4.60	0.06
JBR-DD-11-00020							74.75	147.05	72.30	30.40	52.99	1.80	0.03
JBR-DD-11-00020	**722053**	**7945181**	**889**	**-60**	**30**	**180.20**	**Downhole composite**		**80.30**	**30.74**	**52.03**	**2.08**	**0.03**
JBR-DD-11-00023							0.00	22.50	22.50	30.89	48.74	4.19	0.03
JBR-DD-11-00023							29.00	44.85	15.85	35.83	40.72	4.38	0.05
JBR-DD-11-00023							64.00	68.00	4.00	27.44	56.02	2.66	0.03
JBR-DD-11-00023	**722593**	**7944921**	**975**	**-80**	**42**	**96.80**	**Downhole composite**		**42.35**	**32.42**	**46.42**	**4.12**	**0.04**
JBR-DD-11-00024							0.00	7.00	7.00	27.21	53.40	4.72	0.03
JBR-DD-11-00024	**722771**	**7944676**	**1010**	**-90**	**0**	**62.00**	**Downhole composite**		**7.00**	**27.21**	**53.40**	**4.72**	**0.03**
JBR-DD-11-00025							29.82	33.00	3.18	29.82	55.52	0.98	0.03
JBR-DD-11-00025							36.65	40.05	3.40	26.83	57.24	2.89	0.02
JBR-DD-11-00025							48.75	52.40	3.65	28.94	56.17	1.38	0.02
JBR-DD-11-00025							158.45	163.25	4.80	29.74	53.26	1.37	0.06
JBR-DD-11-00025							170.65	176.30	5.65	30.03	50.82	2.36	0.08
JBR-DD-11-00025							197.50	211.40	13.90	28.12	51.65	3.02	0.06
JBR-DD-11-00025							215.55	228.85	13.30	27.27	53.37	2.19	0.07
JBR-DD-11-00025							233.50	239.17	5.67	28.20	39.40	1.09	0.05
JBR-DD-11-00025	**721840**	**7945230**	**845**	**-60**	**29**	**270.55**	**Downhole composite**		**53.55**	**28.34**	**51.73**	**2.15**	**0.06**
JBR-DD-11-00026							0.00	13.38	13.38	31.22	46.98	4.45	0.04
JBR-DD-11-00026							112.30	120.15	7.85	31.89	52.00	1.44	0.02
JBR-DD-11-00026							126.40	129.85	3.45	31.47	51.69	2.06	0.03
JBR-DD-11-00026							133.50	137.05	3.55	30.72	52.06	1.81	0.08
JBR-DD-11-00026							145.80	159.00	13.20	30.22	54.80	1.24	0.04
JBR-DD-11-00026	**722192**	**7945023**	**916**	**-60**	**30**	**185.40**	**Downhole composite**		**41.43**	**31.01**	**51.25**	**2.43**	**0.04**

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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Appendix B – Jambreiro Iron Ore Project - New RC Drill Hole Results – June 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-11-00027							3.00	11.00	8.00	28.77	51.25	5.11	0.02
JBR-RC-11-00027	**722266**	**7945151**	**1026**	**-60**	**30**	**90**	**Downhole composite**		**8.00**	**28.77**	**51.25**	**5.11**	**0.02**
JBR-RC-11-00029							12.00	53.00	41.00	36.30	45.32	0.89	0.03
JBR-RC-11-00029	**721920**	**7945349**	**854**	**-60**	**30**	**150.00**	**Downhole composite**		**41.00**	**36.30**	**45.32**	**0.89**	**0.03**
JBR-RC-11-00030							90.00	96.00	6.00	28.53	56.48	1.32	0.02
JBR-RC-11-00030							101.00	149.00	48.00	33.29	46.55	3.23	0.03
JBR-RC-11-00030	**722216**	**7945065**	**927**	**-60**	**30**	**180.00**	**Downhole composite**		**54.00**	**32.76**	**47.66**	**3.02**	**0.03**
JBR-RC-11-00034							11.00	27.00	16.00	30.76	50.40	3.49	0.03
JBR-RC-11-00034	**722030**	**7945139**	**899**	**-60**	**30**	**220.00**	**Downhole composite**		**16.00**	**30.76**	**50.40**	**3.49**	**0.03**
JBR-RC-11-00035							0.00	5.00	5.00	30.08	45.96	6.26	0.03
JBR-RC-11-00035	**722736**	**7945084**	**930**	**-60.2**	**116**	**90.00**	**Downhole composite**		**5.00**	**30.08**	**45.96**	**6.26**	**0.03**
JBR-RC-11-00036							0.00	3.00	3.00	29.49	41.43	9.84	0.02
JBR-RC-11-00036	**722630**	**7945029**	**940**	**-60.1**	**116**	**60.00**	**Downhole composite**		**3.00**	**29.49**	**41.43**	**9.84**	**0.02**
JBR-RC-11-00037							0.00	28.00	28.00	35.20	45.79	2.43	0.02
JBR-RC-11-00037	**722694**	**7944759**	**1012**	**-70**	**50**	**80.00**	**Downhole composite**		**28.00**	**35.20**	**45.79**	**2.43**	**0.02**
JBR-RC-11-00040							5.00	44.00	39.00	34.42	45.32	2.50	0.03
JBR-RC-11-00040	**722894**	**7945067**	**918**	**-70**	**75**	**80.00**	**Downhole composite**		**39.00**	**34.42**	**45.32**	**2.50**	**0.03**
JBR-RC-11-00041							0.00	13.00	13.00	33.08	42.72	4.23	0.02
JBR-RC-11-00041	**722906**	**7945204**	**905**	**-60**	**75**	**60.00**	**Downhole composite**		**13.00**	**33.08**	**42.72**	**4.23**	**0.02**
JBR-RC-11-00042	**722963**	**7945324**	**886**	**-70.1**	**75**	**48.00**	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00043							19.00	33.00	14.00	31.81	47.20	4.28	0.03
JBR-RC-11-00043	**722692**	**7945749**	**965**	**-70.1**	**50**	**50.00**	**Downhole composite**		**14.00**	**31.81**	**47.20**	**4.28**	**0.03**
JBR-RC-11-00044							0.00	13.00	13.00	32.85	50.11	1.61	0.02
JBR-RC-11-00044	**722546**	**7945988**	**926**	**-70.1**	**50**	**50.00**	**Downhole composite**		**13.00**	**32.85**	**50.11**	**1.61**	**0.02**
JBR-RC-11-00045							8.00	17.00	9.00	29.80	45.66	6.39	0.05
JBR-RC-11-00045	**722240**	**7946157**	**898**	**-60**	**50**	**50.00**	**Downhole composite**		**9.00**	**29.80**	**45.66**	**6.39**	**0.05**
JBR-RC-11-00046	**722195**	**7946121**	**884**	**-60**	**50**	**70.00**	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00047							0.00	20.00	20.00	34.73	45.82	3.01	0.02
JBR-RC-11-00047	**722674**	**7945007**	**946**	**-60**	**116**	**60.00**	**Downhole composite**		**20.00**	**34.73**	**45.82**	**3.01**	**0.02**
JBR-RC-11-00048	**722760**	**7945161**	**916**	**-60**	**116**	**50.00**	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00049	**722714**	**7945181**	**914**	**-60.4**	**116**	**60.00**	NO SIGNIFICANT INTERSECTION						
JBR-RC-11-00050							0.00	3.00	3.00	29.27	45.14	7.40	0.02
JBR-RC-11-00050	**722214**	**7946282**	**925**	**-70**	**70**	**58.00**	**Downhole composite**		**3.00**	**29.27**	**45.14**	**7.40**	**0.02**

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