AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

CentaurusMetals

14 May 2012

FURTHER STRONG RESULTS FROM JAMBREIRO IN-FILL DRILLING AHEAD OF RESOURCE UPGRADE

UPDATED RESOURCE DUE LATE MAY; GEOTECHNICAL RIG ONSITE; FEASIBILITY STUDY PROGRESSING WELL

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to report further positive results from the final batch of assays from the recently completed RC in-fill drilling campaign at its flagship Jambreiro Iron Ore Project in Brazil, with results continuing to support the quality and consistency of mineralisation to underpin the imminent JORC Resource upgrade.

The current in-fill program has strengthened the Company's confidence in the resource inventory at Jambreiro and will lead to an upgrade of the resource (mainly in JORC classification) by the end of May.

This new resource will form the basis of the ongoing Bankable Feasibility Study (BFS) and marks another important milestone on the road to production before the end of 2013.

Highlights of the recent results from the Jambreiro Project (*Figure 1*) include the following continuous intervals (*see attached Appendix A for a full list of recent drilling intersections*):

- **62.0m @ 31.8% Fe, 3.4% Al_2O_3 and 0.03% P** from 37.0 metres in Hole JBR-RC-12-0157
- **45.0m @ 29.4% Fe, 3.4% Al_2O_3 and 0.04% P** from 83.0 metres in Hole JBR-RC-12-0155
- **26.0m @ 28.5% Fe, 3.5% Al_2O_3 and 0.04% P** from 43.0 metres in Hole JBR-RC-12-0141
- **24.0m @ 47.1% Fe, 2.5% Al_2O_3 and 0.03% P** from surface in Hole JBR-RC-12-0144
- **24.0m @ 32.0% Fe, 2.6% Al_2O_3 and 0.04% P** from 19.0 metres in Hole JBR-RC-12-0153

Recently completed pilot plant testwork has shown that the friable itabirite ore, with a head grade consistent with the overall resource base, can be upgraded to **a 65.6% Fe product with low impurities (2.8% SiO_2 and 0.01% P)** using a simple magnetic separation process.

The in-fill drilling program focussed on the mineralisation which will support the first four years of production at Jambreiro from the Tigre and Cruzeiro Deposits. Some of the final results came from the southern extension of the Tigre Deposit, where higher grade friable mineralisation from surface has been identified.

This has been clearly demonstrated in drill hole JBR-RC-12-0144, which returned **24.0 metres @ 47.1% Fe**. This southern zone of the Tigre deposit continues to present the best start-up option for mining, with higher ore grades occurring at or near surface with very favourable strip ratios.

The drill program was rounded off with some near-mine exploration drilling targeting a previously undrilled anomaly between the Tigre and Cruzeiro deposits (*see Figure 1*). Results from this exploration drilling have confirmed an extension of the itabirite mineralisation seen in both deposits, with drilling in these areas intersecting significant widths of mineralisation up to 24 metres.

New results in this zone between the two deposits are highlighted by the continuous intervals in drill holes JBR-RC-12-0153 (**24.0m at 32.0% Fe**) and JBR-RC-12-0152 (**12.0m at 29.2% Fe**). These results reinforce the potential future upside from ongoing exploration activity at Jambreiro.

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

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

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

Resource and BFS Update

Centaurus is well advanced in the data validation and geological interpretation of the drill results, with a new JORC Resource estimate scheduled to be completed by the end of May. The new results should convert most of the mineralisation earmarked for the first four years of production into JORC Measured Resources.

Following the successful initial pilot plant program referred to above, a significantly larger sample of Jambreiro ore is now being prepared for an extended pilot plant testwork program. The sample preparation on the first 10-tonne batch has been completed and is currently being processed at the pilot plant at Fundação Gorceix in Ouro Preto.

BNA Micromine do Brasil Consultoria Ltda has been engaged to carry out the Resource, Reserve and Mining work for the BFS. BNA Micromine is the Brazilian branch of the international Micromine services and software group. The local team has Competent Persons for both JORC Resources and Reserves and access to highly experienced local mining professionals familiar with iron ore projects of a similar size.

A diamond rig is currently on site undertaking a geotechnical drill program. This work is being supervised by Centaurus and engineering consultants WALM Engenharia e Tecnologia Ambiental Ltda, who will provide input into the BFS on geotechnical, water and waste management matters.

WALM is a Brazilian-based engineering group with extensive experience in engineering, design and execution studies of several mines in the Iron Quadrangle region of Brazil that have similar characteristics to the Jambreiro Project.

Centaurus' Managing Director, Mr Darren Gordon, said the latest results continue to impress and show the consistency of widths and grade of mineralisation at Jambreiro, underpinning a solid resource inventory to support the Project's development.

"*It's great to see all the final assays delivered in a timely fashion so that the resource upgrade work can be completed before the end of May. We have now completed over 14,000 metres of drilling at Jambreiro which provides great confidence in the Resource base as a platform for completion of the BFS,"* Mr Gordon said.

-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

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

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

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

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.

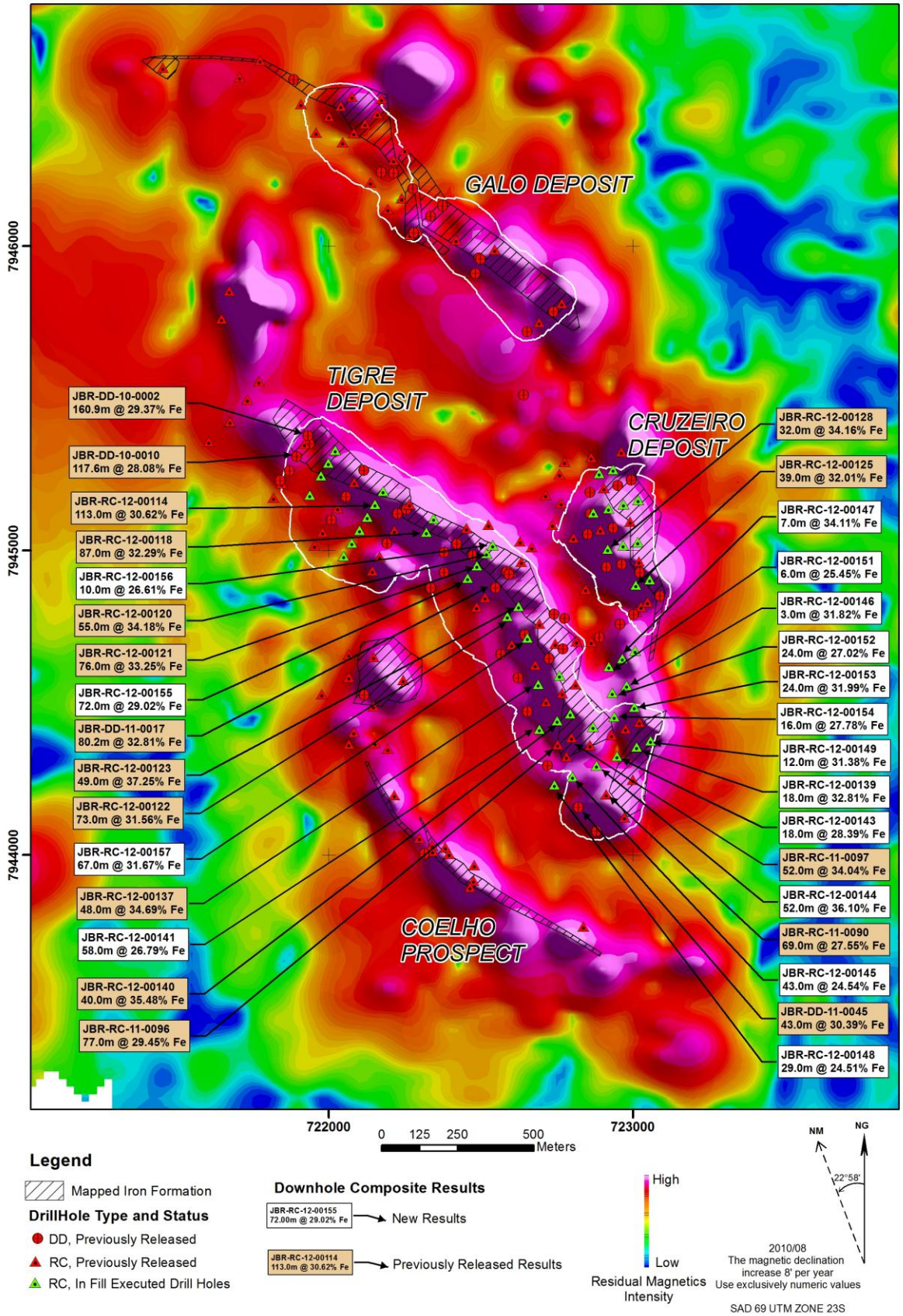
Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Roger Fitzhardinge and 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.

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

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

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

Figure 1 – Jambreiro Prospect Map with Recent Results



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

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

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

Appendix A – Jambreiro Iron Ore Project - New RC Hole Results – May 2012

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-12-000139							38.00	56.00	18.00	32.81	50.88	1.81	0.04
JBR-RC-12-000139	**723014**	**7944354**	**973**	**-60**	**65**	**72**	**Downhole composite**		**18.00**	**32.81**	**50.88**	**1.81**	**0.04**
JBR-RC-12-000141							0.00	8.00	8.00	29.93	45.72	6.80	0.04
JBR-RC-12-000141							43.00	69.00	26.00	28.51	44.20	3.50	0.04
JBR-RC-12-000141							71.00	95.00	24.00	23.88	47.71	3.24	0.03
JBR-RC-12-000141	**722693**	**7944412**	**935**	**-60**	**60**	**109**	**Downhole composite**		**58.00**	**26.79**	**45.86**	**3.85**	**0.04**
JBR-RC-12-000142													
JBR-RC-12-000142	**722870**	**7944419**	**990**	**-80**	**65**	**50**	**NO SIGNIFICANT INTERSECTION**						
JBR-RC-12-000143							90.00	93.00	3.00	25.17	61.99	2.07	0.02
JBR-RC-12-000143							101.00	116.00	15.00	29.04	48.86	2.53	0.04
JBR-RC-12-000143	**722948**	**7944324**	**1005**	**-60**	**65**	**130**	**Downhole composite**		**18.00**	**28.39**	**51.05**	**2.45**	**0.04**
JBR-RC-12-000144							0.00	24.00	24.00	47.13	28.34	2.52	0.03
JBR-RC-12-000144							24.00	31.00	7.00	20.63	52.13	13.25	0.04
JBR-RC-12-000144							114.00	135.00	21.00	28.66	47.82	1.34	0.05
JBR-RC-12-000144	**722881**	**7944293**	**992**	**-60**	**65**	**154**	**Downhole composite**		**52.00**	**36.10**	**39.41**	**3.49**	**0.04**
JBR-RC-12-000145							32.00	36.00	4.00	28.50	49.55	6.12	0.04
JBR-RC-12-000145							40.00	45.00	5.00	23.79	56.51	5.23	0.03
JBR-RC-12-000145							82.00	90.00	8.00	20.36	57.34	6.56	0.03
JBR-RC-12-000145							109.00	135.00	26.00	25.36	50.39	1.70	0.03
JBR-RC-12-000145	**722802**	**7944256**	**964**	**-60**	**65**	**135**	**Downhole composite**		**43.00**	**24.54**	**52.31**	**3.42**	**0.04**
JBR-RC-12-000146							4.00	7.00	3.00	31.82	49.07	3.27	0.05
JBR-RC-12-000146	**722980**	**7944556**	**928**	**-70**	**60**	**81**	**Downhole composite**		**3.00**	**31.82**	**49.07**	**3.27**	**0.05**
JBR-RC-12-000147							20.00	27.00	7.00	34.11	37.43	6.30	0.07
JBR-RC-12-000147	**722967**	**7944645**	**932**	**-70**	**60**	**60**	**Downhole composite**		**7.00**	**34.11**	**37.43**	**6.30**	**0.07**
JBR-RC-12-000148							101.00	110.00	9.00	23.70	47.90	2.62	0.05
JBR-RC-12-000148							123.00	143.00	20.00	24.88	49.12	1.21	0.05
JBR-RC-12-000148	**722742**	**7944229**	**941**	**-60**	**65**	**155**	**Downhole composite**		**29.00**	**24.51**	**48.74**	**1.65**	**0.05**
JBR-RC-12-000149							0.00	12.00	12.00	31.38	48.68	3.40	0.03
JBR-RC-12-000149	**723059**	**7944375**	**953**	**-60**	**65**	**36**	**Downhole composite**		**12.00**	**31.38**	**48.68**	**3.40**	**0.03**
JBR-RC-12-000150													
JBR-RC-12-000150	**723008**	**7944670**	**920**	**-70**	**60**	**20**	**NO SIGNIFICANT INTERSECTION**						
JBR-RC-12-000151							48.00	54.00	6.00	25.45	46.65	3.78	0.06
JBR-RC-12-000151	**722922**	**7944618**	**938**	**-70**	**60**	**75**	**Downhole composite**		**6.00**	**25.45**	**46.65**	**3.78**	**0.06**
JBR-RC-12-000152							0.00	12.00	12.00	24.82	45.43	11.78	0.03
JBR-RC-12-000152							34.00	46.00	12.00	29.22	52.87	2.32	0.04
JBR-RC-12-000152	**722934**	**7944531**	**945**	**-70**	**60**	**62**	**Downhole composite**		**24.00**	**27.02**	**49.15**	**7.05**	**0.03**
JBR-RC-12-000153							19.00	43.00	24.00	31.99	47.04	2.65	0.04
JBR-RC-12-000153	**723005**	**7944484**	**943**	**-70**	**65**	**54**	**Downhole composite**		**24.00**	**31.99**	**47.04**	**2.65**	**0.04**
JBR-RC-12-000154							70.00	86.00	16.00	27.78	52.52	2.44	0.05
JBR-RC-12-000154	**722940**	**7944452**	**965**	**-70**	**65**	**98**	**Downhole composite**		**16.00**	**27.78**	**52.52**	**2.44**	**0.05**
JBR-RC-12-000155							57.00	79.00	22.00	29.75	50.48	4.79	0.04
JBR-RC-12-000155							83.00	128.00	45.00	29.36	48.30	3.37	0.04
JBR-RC-12-000155							139.00	144.00	5.00	22.79	61.83	3.00	0.03
JBR-RC-12-000155	**722457**	**7944909**	**974**	**-80**	**35**	**152**	**Downhole composite**		**72.00**	**29.02**	**49.91**	**3.78**	**0.04**
JBR-RC-12-000156							0.00	6.00	6.00	29.31	47.33	7.02	0.02
JBR-RC-12-000156							16.00	20.00	4.00	22.56	56.94	6.76	0.03
JBR-RC-12-000156	**722540**	**7945016**	**943**	**-60**	**35**	**40**	**Downhole composite**		**10.00**	**26.61**	**51.17**	**6.91**	**0.02**
JBR-RC-12-000157							21.00	26.00	5.00	29.93	55.84	1.36	0.02
JBR-RC-12-000157							37.00	99.00	62.00	31.81	49.45	3.36	0.03
JBR-RC-12-000157	**722654**	**7944712**	**1026**	**-70**	**50**	**115**	**Downhole composite**		**67.00**	**31.67**	**49.93**	**3.21**	**0.03**

Intervals calculated using a 20% 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

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

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

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