AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

CentaurusMetals

19 June 2012

SUBSTANTIAL INCREASE IN JAMBREIRO MEASURED RESOURCE UNDERPINS FEASIBILITY STUDY: CONFIRMS PROJECT STRENGTH

BFS on track for completion in September, paving the way for project development

- **246% increase in Measured Resource to 46.7Mt @ 28.3% Fe with the overall Jambreiro resource estimate increasing to 125.2Mt @ 26.7% Fe.**
- **Total Measured and Indicated Friable Resource estimate lifted to 53.7Mt @ 28.4% Fe with the Measured Friable Resource estimate alone, of 37.6Mt @ 28.8% Fe, underpinning the first six years of mining.**
- **In-fill drilling and updated resource confirm the strong consistency of widths and grades of mineralisation at Jambreiro.**
- **Updated resource to underpin the Bankable Feasibility Study (BFS), with high conversion of Measured and Indicated Resources to Ore Reserves expected when the BFS is finalised.**
- **Extensive bench scale testwork and initial pilot plant testwork shows that a high-grade (+65% Fe), low impurity sinter product can be produced from Jambreiro ore – new 50-tonne pilot plant testwork program underway.**

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to announce an updated JORC Mineral Resource estimate for its flagship **Jambreiro Iron Ore Project** in Brazil, including a substantial increase in the Measured Resource estimate which confirms the robustness and quality of the project.

The JORC Resource estimate (combined Measured, Indicated and Inferred) has been increased to **125.2 million tonnes grading 26.7% Fe** (*see Table 1*) (previously 116.5 million tonnes grading 26.8% Fe) with the key change being a significant increase in the Measured component (friable and compact itabirite) **to 46.7 million tonnes grading 28.3% Fe** including 37.6 million tonnes of friable material grading 28.8% Fe.

The new Resource estimate, which reinforces the consistency of the grade and volume of mineralisation at Jambreiro, will underpin the current Bankable Feasibility Study (BFS) which is due for completion in September this year, paving the way for financing and development of the project to proceed.

Importantly, the Jambreiro Project now has an estimated **65.7 million tonnes grading 27.7% Fe** of friable itabirite mineralisation, of which **53.7 million tonnes grading 28.8% Fe** is classified in the Measured and Indicated categories. This represents a slight increase in both iron grade and volume from the September 2011 resource (52.1 million tonnes at 28.0% Fe).

Based on the Reserve estimation work completed at the time of the Pre-Feasibility Study in November 2011, Centaurus expects to be able to convert a very high proportion of the Measured and Indicated Friable Resource into Ore Reserves, on delivery of the BFS – which is focused only on friable mineralisation.

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

Beneficiation testwork on resource grade mineralisation has so far demonstrated that both friable and compact mineralisation types can be beneficiated to a high-quality saleable product to suit various customers and markets, ranging from the premium 67% Fe with less than 2% silica to the more economical 63% Fe with less than 5% silica.

Further, the beneficiated product from Jambreiro will have extremely low phosphorus grades between 0.01% and 0.02% P with low alumina grades ranging between 0.7% and 0.9% Al_2O_3.

The Company is currently running an extensive pilot plant testwork program as part of the BFS on 50 tonnes of friable mineralisation, including both outcrop and samples extracted from drill holes, in order to finalise the process flowsheet for costing purposes and to produce a representative product for marketing purposes with the domestic steel mills. The pilot plant run is also testing additional circuit options which will potentially further enhance the product quality range at reduced operating costs. The results of this pilot plant work are expected in mid-July.

The new Jambreiro JORC Mineral Resource estimate is set out in Table 1 below with additional technical details of the Resource provided in Appendix A attached.

Table 1 – Jambreiro Iron Ore Project – June 2012 JORC Resource Estimate, by Mineralisation Type

	JORC Category	Million Tonnes	Fe %	SiO2 %	Al2O3 %	P %	LOI %
Friable	**Measured**	37.6	28.8	50.7	4.4	0.04	1.7
	Indicated	16.1	27.3	50.2	5.4	0.04	2.4
	Measured + Indicated	**53.7**	**28.4**	**50.6**	**4.7**	**0.04**	**1.9**
	Inferred	12.1	25.0	54.2	5.1	0.04	2.0
	TOTAL	**65.7**	**27.7**	**51.2**	**4.8**	**0.04**	**1.9**
Compact	**Measured**	9.1	25.9	52.2	3.5	0.06	1.1
	Indicated	19.5	25.8	49.5	3.4	0.06	1.2
	Measured + Indicated	**28.6**	**25.8**	**50.4**	**3.4**	**0.06**	**1.2**
	Inferred	30.8	25.5	47.6	4.3	0.06	1.0
	TOTAL	**59.4**	**25.6**	**49.0**	**3.9**	**0.06**	**1.1**
Total	**Measured**	46.7	28.3	51.0	4.2	0.04	1.6
	Indicated	35.5	26.5	49.9	4.3	0.05	1.7
	Measured + Indicated	**82.3**	**27.5**	**50.5**	**4.3**	**0.05**	**1.7**
	Inferred	42.9	25.3	49.5	4.5	0.06	1.3
	TOTAL	**125.2**	**26.7**	**50.2**	**4.4**	**0.05**	**1.5**

20% Fe Cut-Off

The resource update incorporates the results of a successful in-fill RC drilling campaign undertaken this year which targeted the definition of Measured Resources to support the first 4-5 years of production from the friable project. The Measured and Indicated Resource component for friable mineralisation now comprises an estimated **53.7 million tonnes grading 28.4% Fe with the Measured Component standing at 37.6 million tonnes grading 28.8% Fe**. The Measured component alone is expected to now comprehensively cover the first six years of production.

The in-fill program confirmed the consistency of the iron grade and volume of mineralisation at the Tigre and Cruzeiro Deposits, both along strike and down-dip. Exploration drilling also confirmed the extension of the Cruzeiro Deposit to the south, which approaches the Tigre Deposit. It is expected that this will result in the two pits eventually being joined.

The south-eastern portion of the Tigre Deposit and the Cruzeiro Deposit both host relatively high-grade friable mineralisation that dips sub-parallel to the natural surface (*see Figures 4 to 7*). These zones are ideal for a start-up mining operation with a low strip ratio targeting high-grade ore as a source of early production in order to maximise cash flow in the initial years to facilitate rapid payback of capital.

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

Table 2 below shows the split of the JORC Mineral Resource estimate between friable and compact itabirite mineralisation for all Deposit/Prospect areas at Jambreiro. Figures 2 to 7 attached are typical cross-sections through the Jambreiro deposit areas.

Table 2 – Jambreiro Iron Ore Project – June 2012 JORC Resource Estimate, By Deposit/Prospect

Prospect/ Deposit	Material Type	Million Tonnes	Fe %	SiO2 %	Al2O3 %	P %	LOI %
Tigre	Friable	39.5	28.3	51.7	4.4	0.04	1.7
	Compact	41.2	25.6	51.8	3.8	0.06	1.0
	TOTAL	81.3	26.9	51.7	4.1	0.05	1.3
Cruzeiro	Friable	9.7	28.9	47.3	4.0	0.05	1.9
	Compact	12.2	25.8	37.3	3.1	0.06	1.4
	TOTAL	22.2	27.1	41.8	3.6	0.05	1.7
Galo	Friable	10.2	26.7	49.8	6.7	0.04	2.8
	Compact	4.2	26.0	50.4	7.0	0.05	1.1
	TOTAL	14.4	26.5	50.0	6.8	0.04	2.3
Coelho	Friable	5.4	23.9	58.2	4.8	0.03	1.8
	Compact	1.8	25.0	58.7	3.6	0.02	1.2
	TOTAL	7.2	24.2	58.3	4.5	0.03	1.6
Jambreiro Total	**FRIABLE**	**64.7**	**27.8**	**51.3**	**4.7**	**0.04**	**1.9**
	COMPACT	**59.4**	**25.6**	**49.0**	**3.9**	**0.06**	**1.1**
	TOTAL	**125.2**	**26.7**	**50.2**	**4.4**	**0.05**	**1.5**

Jambreiro Friable Project BFS

The in-fill drilling campaign at Jambreiro added a further 49 RC drill holes for a total of 3,350 metres, bringing the total amount of drilling at the Project to over 17,500 metres since it was acquired in June 2010. The drilling has provided a very extensive understanding of the Jambreiro geology and mineralisation, which will be vital for the overall success of the Project.

The Jambreiro Project now has an estimated 65.7 million tonnes grading 27.7% Fe of friable itabirite mineralisation of which 53.7 million tonnes grading 28.8% Fe is classified in the Measured and Indicated categories. The new resource will form the platform of the Jambreiro Friable Project BFS, for which work has been underway since March and is due to be completed in September 2012.

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.

There are currently three geotechnical drill rigs on site undertaking geotechnical investigations for the tailings dam, waste dump, plant site, work shop and administrative areas. Drilling for the open pit geotechnical studies is complete.

This geotechnical 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.

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

Brazilian Office
Alameda do Ingá, 95
Vale do Sereno, Nova Lima
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Contecmina Consultoria em Mineração has been engaged to undertake the beneficiation flowsheet and equipment selection work of the BFS whilst CNEC WorleyParsons, a joint venture between Contecmina and the international engineering company WorleyParsons has been engaged to undertake the engineering design work for the BFS.

Contecmina is a specialist mine and beneficiation engineering subsidiary of Contécnica, a major Brazilian general engineering house which also has heavy steel fabrication and machining facilities located at João Monlevade, Minas Gerais, within about 150 road kilometres of the Jambreiro site. Contécnica supplies heavy engineering equipment manufacturing and services to the domestic steel, mining and power industries.

Contecmina completed the Pre-Feasibility Study for Jambreiro and is well placed to undertake the BFS Engineering work, and will coordinate the schedules of BNA and WALM and produce the overall consolidated Bankable Feasibility Study report.

The Jambreiro Project has excellent access to existing local infrastructure and is well located approximately 140km from the city of Ipatinga, home to Usiminas' existing 4.5Mtpa steel mill. Arcelor Mittal also has major steel operations, within the same general radius, at the João Monlevade blast furnace.

Centaurus' Managing Director, Mr Darren Gordon, said the resource upgrade marked another significant milestone in the Company's progress towards development and production at Jambreiro.

"We have achieved our objective of underpinning the first 4-5 years of operations with an upgraded Measured Resource which now comfortably covers the pay-back period for the Project and gives us great confidence in the mine plan and project economics.

"It's great to see the key deposits at Jambreiro continuing to deliver consistent and reliable grades and volumes of mineralisation, reinforcing the strength and robustness of the Project.

"We are looking forward to completing the Bankable Feasibility Study and confirming our expectations that this will be a financially robust and successful project that will form the cornerstone of a long-term iron ore business in Brazil."

-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 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.

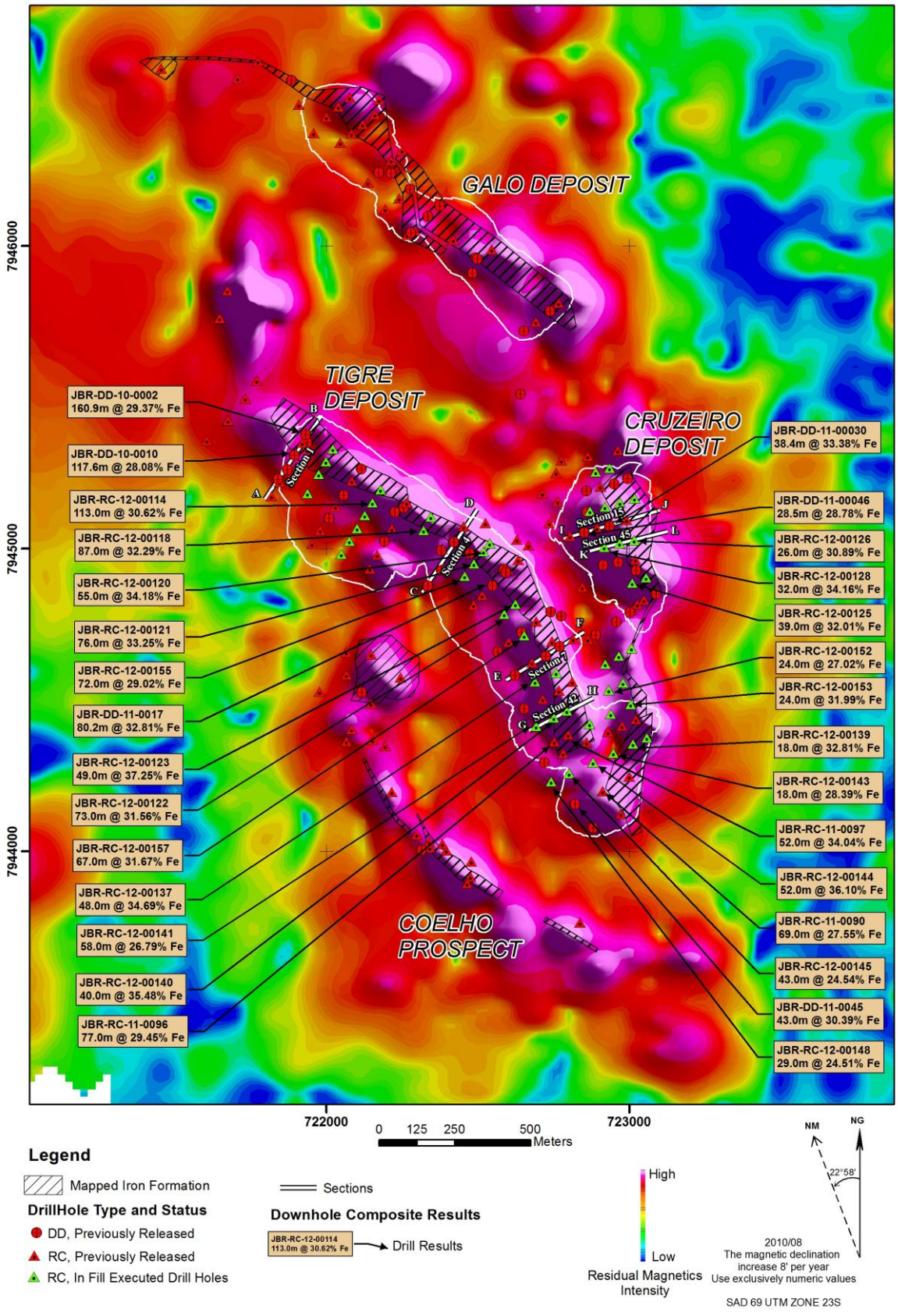
Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting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

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 – Jambreiro Iron Ore Project Showing Prospect Locations over Ground Magnetic Survey



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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
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Telephone: +61 8 9420 4000

Figure 2 – Tigre Deposit Cross Section Showing Material Type – Section 1

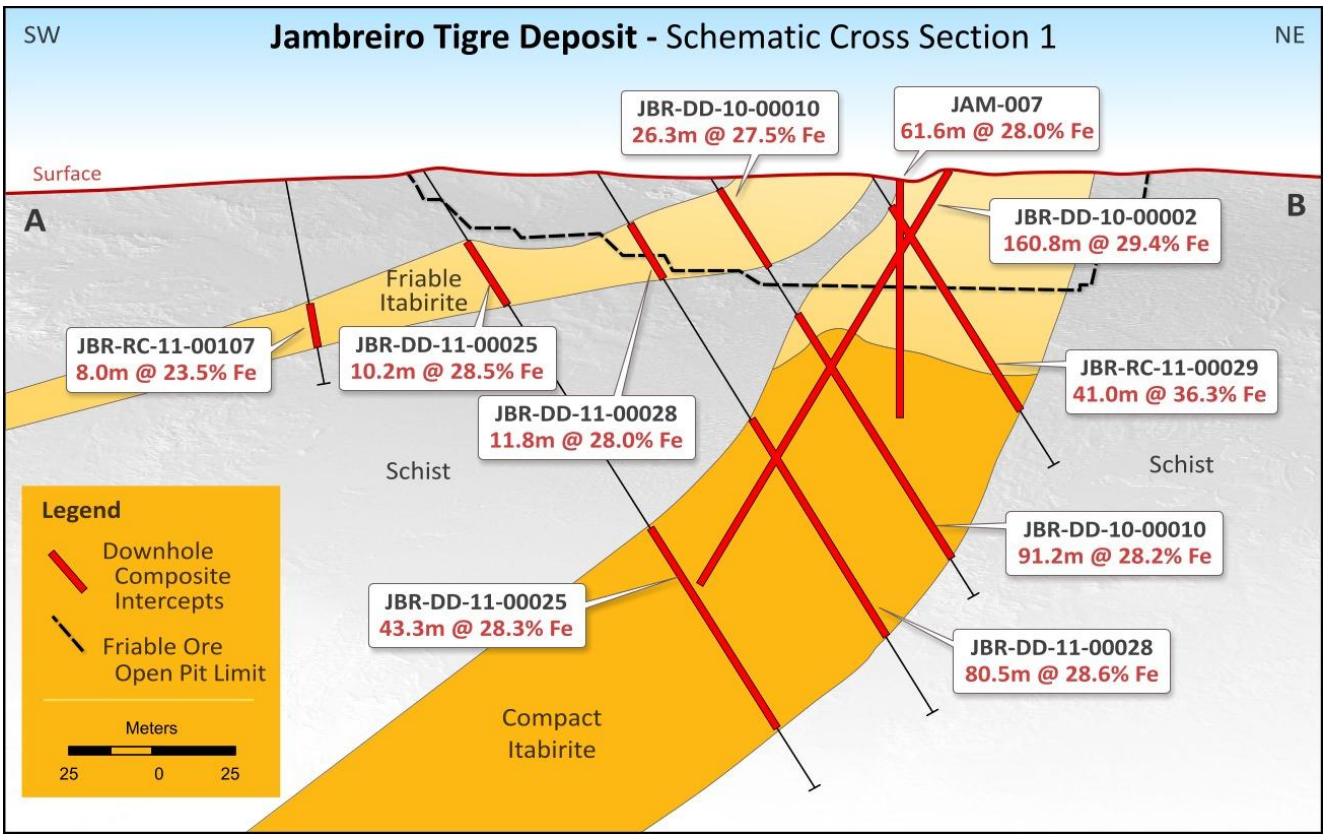
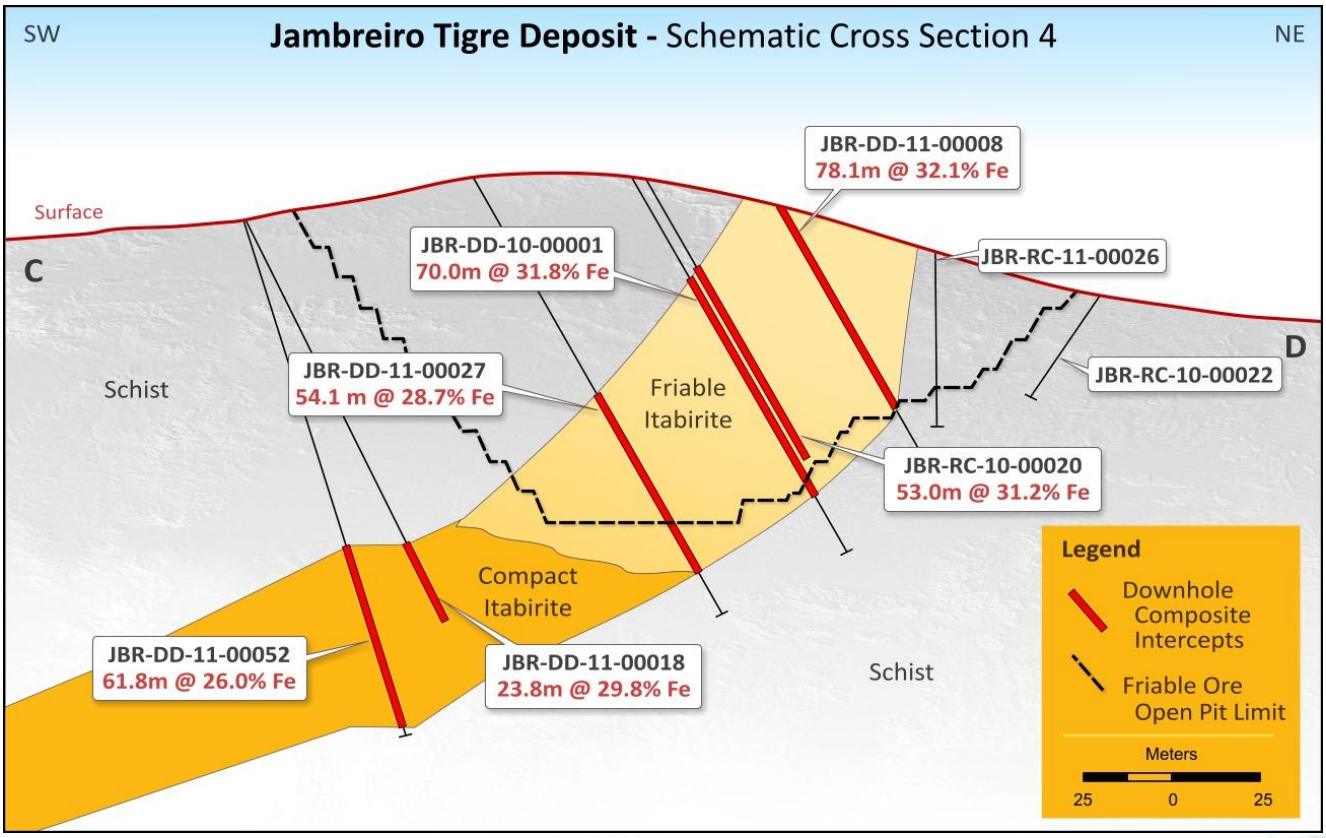


Figure 3 – Tigre Deposit Cross Section Showing Material Type – Section 4.



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

Brazilian Office
Alameda do Ingá, 95
Vale do Sereno, Nova Lima
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ACN 009 468 099
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Telephone: +61 8 9420 4000

Figure 4 – Tigre Deposit Cross Section Showing Material Type – Section 7

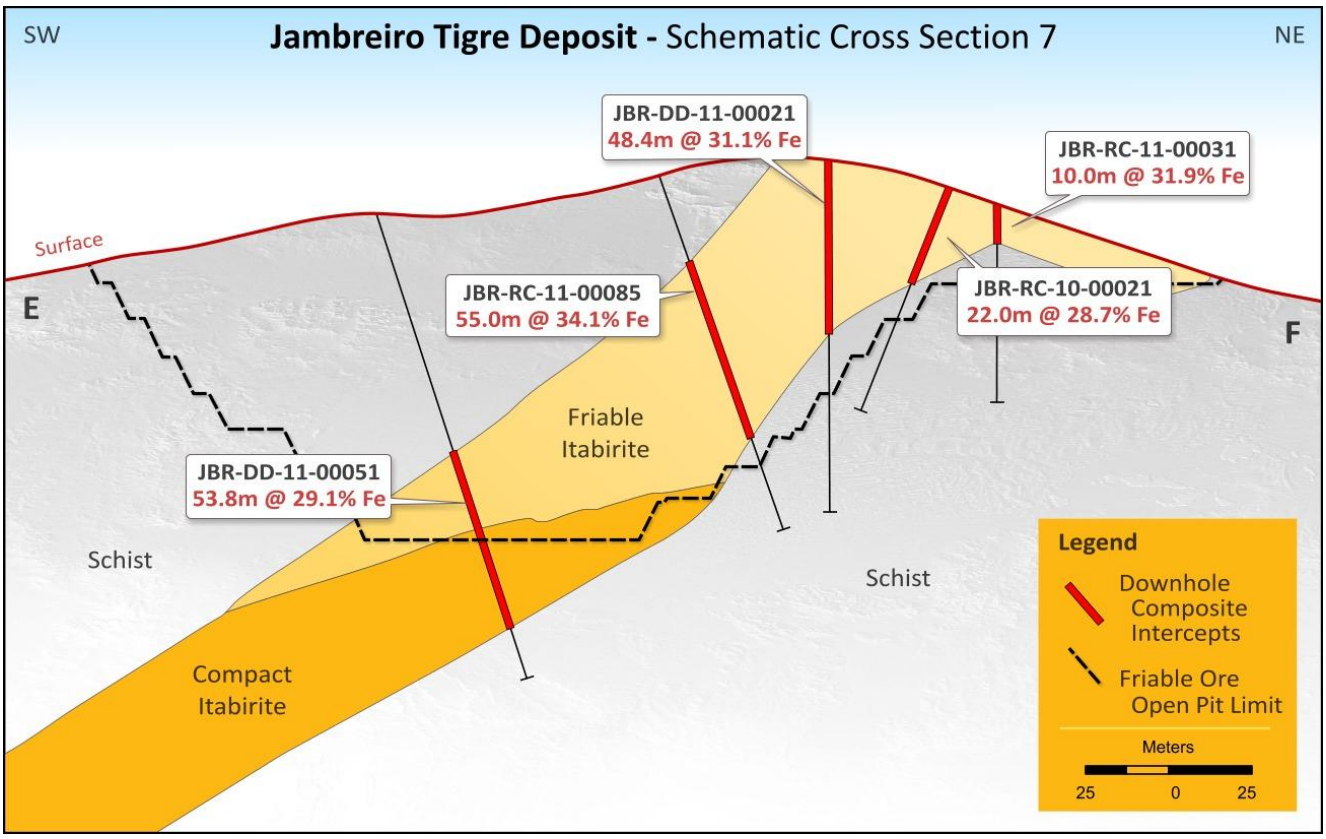
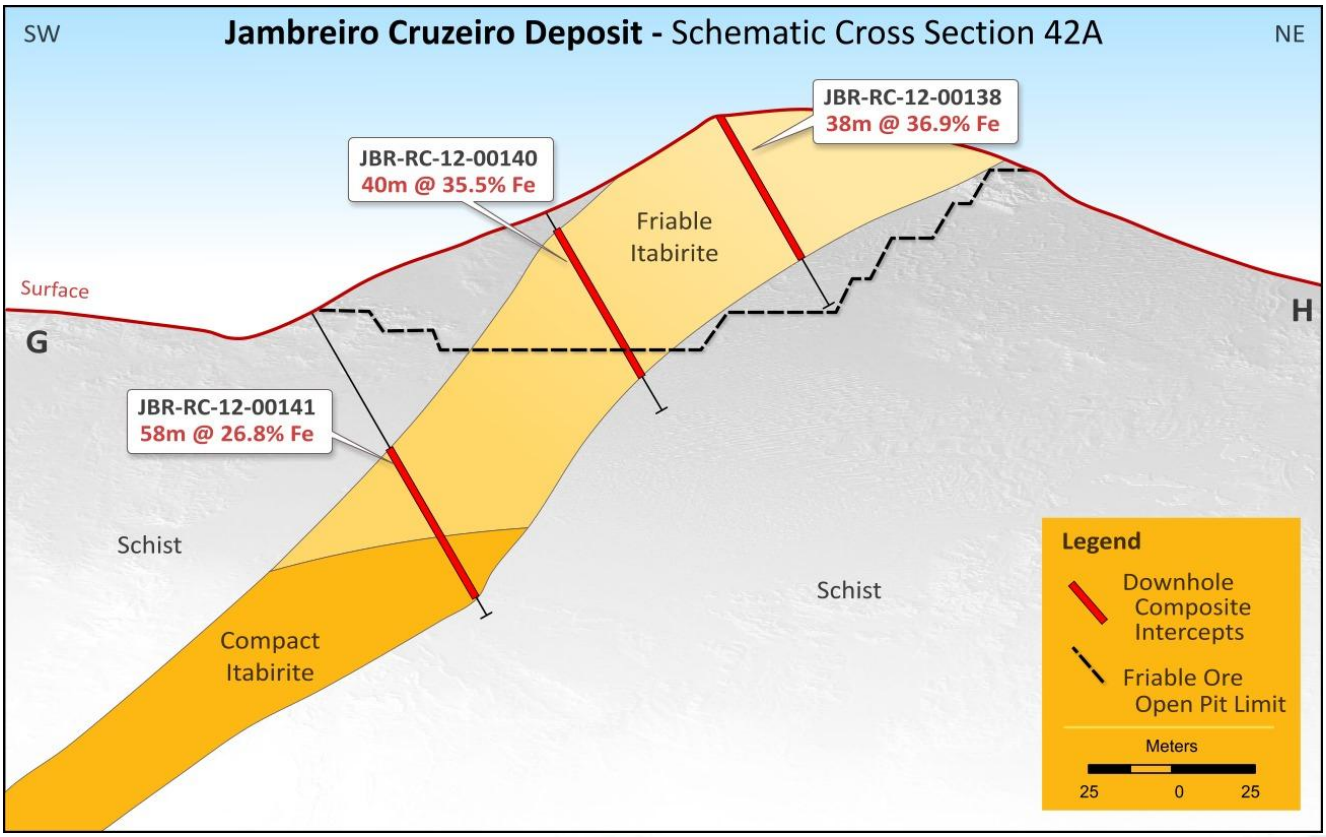


Figure 5 – Tigre Deposit Cross Section Showing Material Type – Section 42A



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 6 – Cruzeiro Deposit Cross Section Showing Material Type – Section 15.

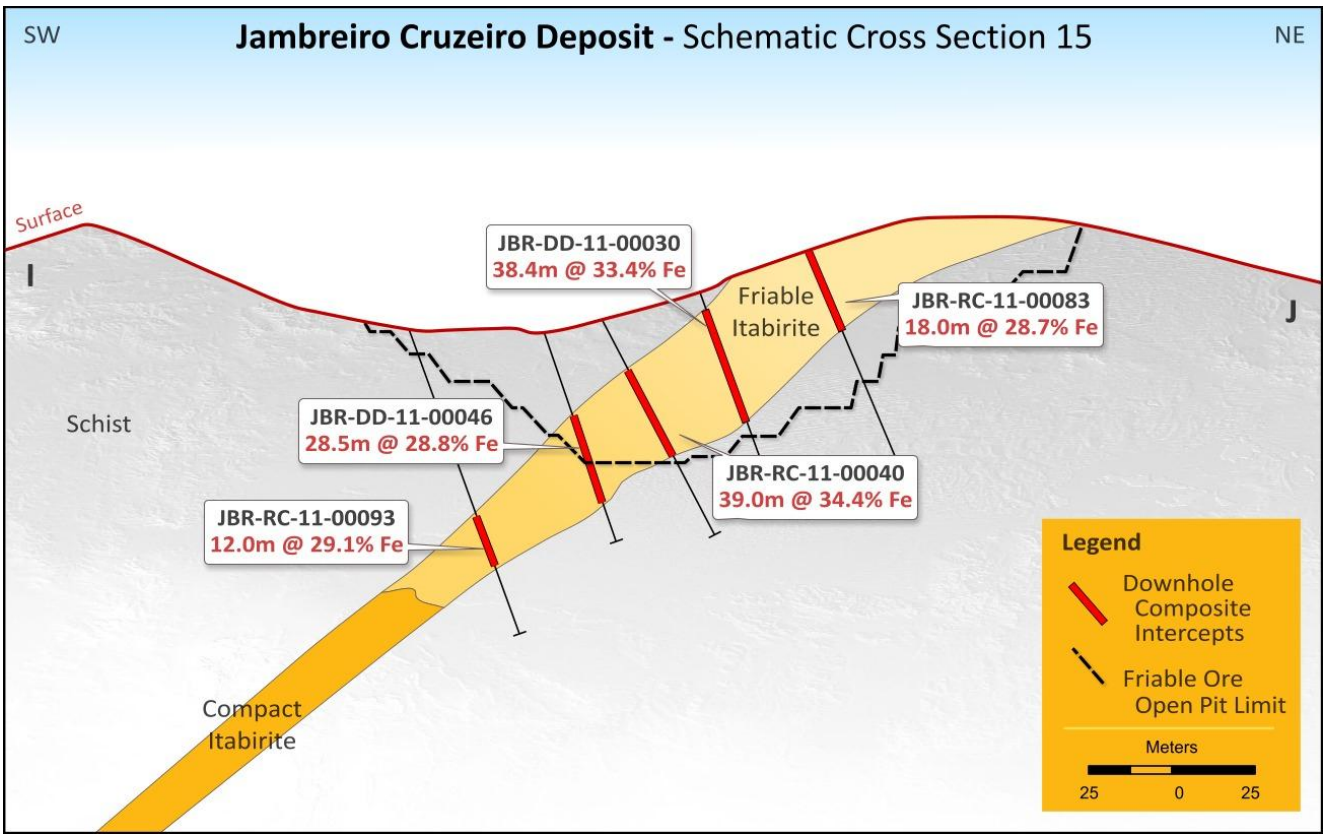
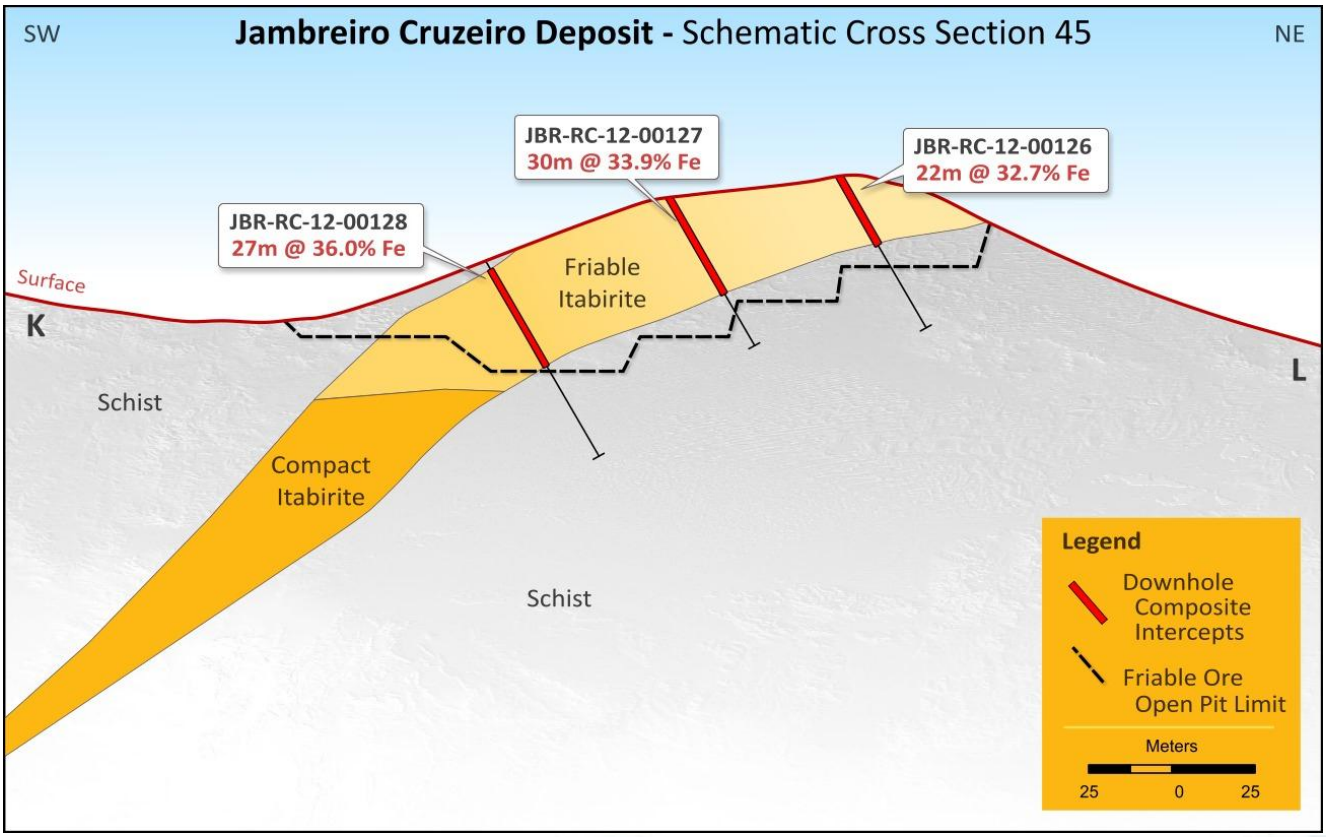


Figure 7 – Cruzeiro Deposit Cross Section Showing Material Type – Section 45.



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

Appendix A – Details of the Jambreiro Resource Estimate – June, 2012

General Information	
Project Name	Jambreiro Iron Ore Project
Deposit Names	Tigre Prospect, Galo Prospect, Cruzeiro Prospect
Location	Located approximately 180 Km NE of BH and 23Km North of Guanhães.
Geological Description	The Jambreiro Project is located within the Guanhães Group of the Mantiqueira Complex. The region is structurally complex with duplex fault systems and complex folding ranging from micro folding in outcrop to large scale regional deformation.
	The Itabirite unit is part of an iron formation including ferruginous quartzites and quartzites hosted within a metasedimentry sequence. This sequence is emplaced in regional gneissic basement.
	The Itabirite mineralisation comprises concentrations of medium - coarse grained friable and compact material that have undergone enrichment. The mineralisation is composed of quartz, hematite, magnetite, amphibole (Grunerite), Mica (muscovite) and feldspar (albite)
	Itabirite thicknesses vary from 5m to up to 100m thick within the Tigre prospect. Itabirite has been intersected at depths up to 150m.
Spatial Limits of Resource: Total Resource Area	721302.5mE to 723097.5mE
	7943697.5mN 7946642.5mN
	543mRL to 1016mRL (surface)
Resource Base	Tigre Prospect – max depth of 150m from base of drilling.
	Galo and Cruzeiro Prospects – max depth of 150m below surface.
Responsibilities	
Data Collection	Centaurus Metals
Data Management	Centaurus Metals and BNA Micromine Consultoria
Data Validation	Centaurus Metals and BNA Micromine Consultoria
Geological Interpretation	Centaurus Metals
Resource Modelling	BNA Micromine Consultoria
Geological Interpretation	
Geological Software	Micromine 12.5
Lithological Boundaries	Boundaries defined through Geological logging and chemical analysis
Mineralisation Boundaries	Boundaries defined through Geological logging and chemical analysis
Material Type Boundaries	Material types defined through Geotechnical logging. In particular, friability tests.

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Bulk Density Measurements		
Method		
Compact	Immersion method using full core	
Friable	Volume/ Mass method and in situ Bulk density method	
Number of samples	In situ = 15	
	Volume Mass = 263	
	Water Displacement = 128	
Bulk Density Values		
Material Type	**Bulk Density (t/m^3)**	**No. Of Samples**
Itabirite Compact	3.08	128
Itabirite Friable	2.35	199
Itabirite Semi Friable	2.66	64
Quartzite	2.19	21
Amphibolite	2.65	32
Schist	1.56	25
Gneiss	2.58	9
Waste	2.24	87

Drilling		
	Holes	**Metres**
Historical DDH	7	365
DDH	52	5,647
RC	157	12,008
Total	**216**	**18,020**
Survey		
Grid System	SAD_69 23S	
Collar Survey	Total survey collars for all drill holes	
DH Survey	No down hole surveys have been completed	
Sampling		
Type and Method	1m samples for RC and DDH	
DDH	Half core sampling to lithological boundaries.	
RC	One metre samples. Samples homogenised after leaving cyclone and split.	
Sample Preparation and Chemical Analysis		
Laboratory	Sample preparation carried out at Intertek's sample preparation lab in BH	
	Analysis of pulps carried out in Intertek's analysis lab in Sao Paulo	
Physical Sample Prep		
DDH	Cutting, Crushing, Drying, Pulverising, Splitting	
RC	Drying, Crushing, Pulverising, Splitting	
Analytical Method	Metal Oxide determination through X-RAY Florescence (XR21L) Oxide and elemental analyses including Fe, SiO_2, Al_2O_3,P, Mn, TiO_2, CaO, MgO, K_2O, Na_2O and Cr_2O_3. FeO by a Volumetric Determination (VL3) and LOI using Loss Determination by Gravity	
Elements	Fe, SiO_2, Al_2O_3,P, Mn, TiO_2, CaO, MgO, K_2O, Na_2O, Cr_2O_3 and FeO	
QAQC	288 Duplicate, 360 Standards across 164 batches. Standards inserted every 50 samples, duplicates every 20.	

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Block Model Parameters			
Estimation Method	Ordinary Kriging (OK) and Inverse distance squared (ID^2)		
	Y	**X**	**Z**
Parent Block Sizes	50m	50m	10m
Sub Block Sizes	5m	5m	2.5m
Attributes:			
Rock_code	(Itb_F, Itb_C and Waste)		
OB	Model Name		
Fe%	Fe Grade, OK, ID^2		
SiO_2%	SiO_2% Grade, OK, ID^2		
Al_2O_3%	Al_2O_3% Grade, OK, ID^2		
P%	P% Grade, OK, ID^2		
LOI%	LOI , OK, ID^2		
CLASS	Resource Classification Class		
Density	Bulk Density of Itb_C, Itb_F and waste		

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MG 34000-000

ASX: CTM
ACN 009 468 099
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Telephone: +61 8 9420 4000

Appendix B – Details of the Jambreiro Resource and Reserve Estimates – November, 2011

Ore Reserve Classification - Nov 2011	Mt	Fe%	SiO_2%	Al_2O_3%	P%	LOI %
Proven	12.0	28.5	51.2	4.5	0.03	1.7
Probable	37.0	28.1	51	5.2	0.04	2.2
Total	**49.0**	**28.2**	**51.1**	**5**	**0.04**	**2.1**
Concentrate Production	**17.1**	**66.6**	**2.8**	**0.69**	**0.02**	**0.4**
Mineral Resource Classification - Sept 2011						
Measured	13.5	28.4	51	4.4	0.04	1.7
Indicated	58.5	27.5	50.8	4.5	0.04	1.9
Inferred	44.4	25.4	53	4.4	0.05	1.6
Total	**116.5**	**26.8**	**51.6**	**4.5**	**0.04**	**1.7**

Resources are inclusive of Reserves

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Telephone: +61 8 9420 4000