AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
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CentaurusMetals

16 November 2011

POSITIVE GROUND MAGNETIC SURVEY RESULTS EXTEND IRON ORE POTENTIAL AT SERRA DA LONTRA

Up to 7,500m of RC and Diamond Drilling due to commence in December 2011

- **Several sub-surface anomalies identified extending the potential mineralised horizon at the two main prospects, Senna and Fittipaldi, at the Serra da Lontra export project, Brazil.**
- **The Senna Prospect has 1.2km of outcropping iron mineralisation and a further 800m long magnetic signature along strike from the outcrop.**
- **Strong magnetic anomalies identified under cover between the Senna and Fittipaldi Prospects, providing new drill targets.**
- **New outcrop sampling assay results confirm that the surface grade of the mineralisation is between 38% and 55% Fe with low Al_2O_3 and P levels.**
- **Exploration Target of 30-50Mt[1] of itabirite mineralisation grading 35-45% Fe well supported by surface sampling and ground magnetic survey results.**
- **Mineralisation expected to beneficiate to a high grade (+65%) hematite product – bulk sample of in-situ itabirite sent to University of São Paulo for mineral characterisation testwork.**
- **Principal landowner agreements signed and environmental application for drilling licences lodged – drilling expected to commence in December 2011.**

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that a recently completed Ground Magnetic Survey on its **Serra da Lontra Iron Ore Project** in Brazil has confirmed the surface mapping already completed on the Project and identified new sub-surface anomalies prospective for iron ore.

Serra da Lontra, which is located 140 kilometres from the regional export port of **Ilhéus**, in the State of Bahia, Brazil (*see Figure 1*), is expected to provide the foundation for an iron ore export business for Centaurus, complementing its domestic iron ore development strategy, which was significantly de-risked earlier in the week by the delivery of the Jambreiro Pre-Feasibility Study.

[1] *Note: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resources have not been used in this context. The potential quantity and grade range is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

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Ground Magnetic Survey

The ground magnetic survey was completed in October and included 102km of survey lines covering an area of 12km^2. East-West survey lines were spaced 200 metres perpendicular to the strike of the mineralised bodies along the length of the regional anomaly. Line spacing was reduced to 100 metres over the two principal prospects – Senna and Fittipaldi. Survey readings were taken every 10 metres. The anomalies correlate well with the itabirite mineralisation, which contains both hematite and magnetite.

Detailed geological mapping has confirmed that the **Senna Prospect** has an outcropping strike length of some 1.2 kilometres (*see Figure 2*). The ground magnetic survey results indicate that the mineralisation is continuous in the sub-surface to the north and connects with 400 metres of mapped outcrop on the next ridge along strike.

This highlights the potential for the strike length of the Senna Prospect **to be up to 2 kilometres**. Both outcrops have an estimated true width of between 40 to 55 metres and are dipping 40-60° towards the east, sub-parallel to the slope of the ridges.

The **Fittipaldi Prospect**, located 1.2 kilometres to the northeast of the Senna Prospect, has been mapped as one itabirite zone, although the magnetic anomalies suggest there may be two zones very close together. The Fittipaldi Prospect has a **strike length of some 1.1 kilometres** (*see Figure 2*) with an estimated true width of between 30 to 40 metres, dipping between 40-60° towards the east.

Outcrop Sampling

The second batch of outcrop sampling assay results from the Serra da Lontra Project has returned consistent results, confirming that that the iron grade of the itabirite ranges between 38% and 55% Fe (with an average grade of around 45 % Fe). Alumina (Al_2O_3) grades are between 0.50% and 2.00% and Phosphorus (P) grades are between 0.05% and 0.10% (*see Figure 2 and Table 1*).

The new ground magnetic results and detailed geological mapping continues to provide strong support for the previously announced **Exploration Target for the Serra da Lontra Project of 30 to 50 million tonnes of itabirite mineralisation grading 35-45% Fe**[2].

Based on the physical nature of the itabirite and the outcrop assay results, the Company is confident that the itabirite mineralisation should beneficiate well to a high grade (+65%) hematite product at a relatively high mass recovery. The Company has extracted a 300kg sample of in-situ itabirite mineralisation which has been sent to the University of São Paulo for mineral characterization and bench scale beneficiation testwork.

Drilling Program

The first drill program at the Serra da Lontra Project is planned to start in December. Preliminary drill plans for the Project include 2,500 metres of diamond drilling and 5,000 metres of RC drilling. The diamond drilling has been confirmed for December with two rigs due to come to site. The RC drilling is likely to commence in early January 2012.

The principal landowner agreements have been signed and the environmental applications for the drilling licence have been lodged. The application for the drilling licence is expected to be approved in early December.

[2] *Note: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resources have not been used in this context. The potential quantity and grade range is conceptual in nature, since there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.*

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Commenting on the exploration progress at Serra da Lontra, Centaurus' Managing Director, Mr Darren Gordon, said: *"The ground magnetic survey results from the Serra da Lontra project are quite exciting. The anomalies indicate that the Senna Prospect could be up to 2 km long – nearly twice as long as previously interpreted. The survey results have also identified the potential for continuity of the mineralisation between the two key Prospect areas."*

"Based on this new information and ongoing mapping and sampling work, a comprehensive exploration drill program has been designed. The drill program is set to kick off in December and by January the Company will have three rigs on site drilling 24 hours a day. We are focussed on maintaining a strong exploration drive and building a solid resource base for our planned export business whilst we undertake feasibility work on the Company's Jambreiro Project.

"With the port of Ilhéus being just 140 kilometres away by sealed highway, the Serra da Lontra Project offers excellent logistics for development of a 1-2Mtpa export project. We are excited by the iron ore prospects of the Ilhéus region and we are gearing up to make a significant push into the State of Bahia to support the Company's future export plans."

-ENDS-

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Competent Person's Statement

The information in this report that relates to Exploration Results is based on information compiled by Geologist Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Roger Fitzhardinge has 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 consents 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 –Location Map Showing Infrastructure in the Immediate Locality of Serra da Lontra.

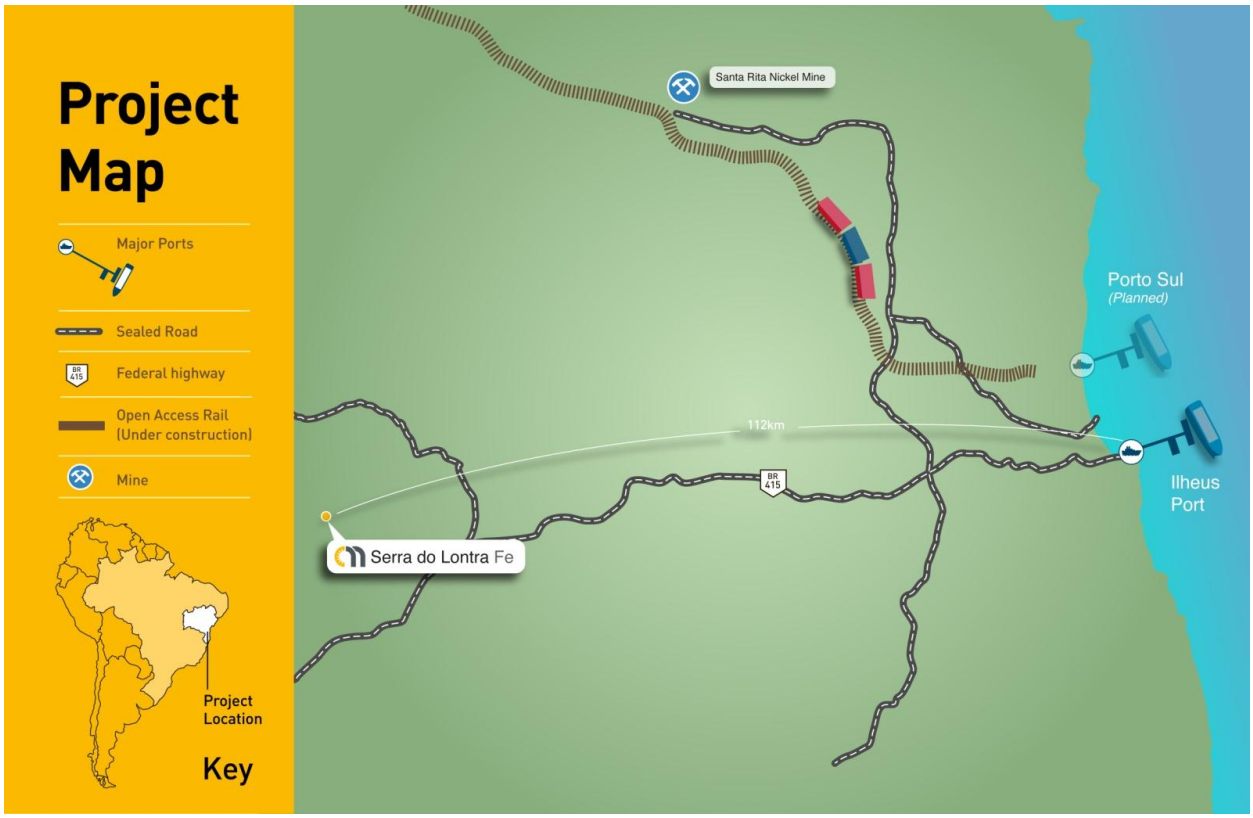

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Figure 2 –Serra da Lontra Iron Ore Project Map – Analytical Signal Mag Image and Outcrop sample Results – November, 2011

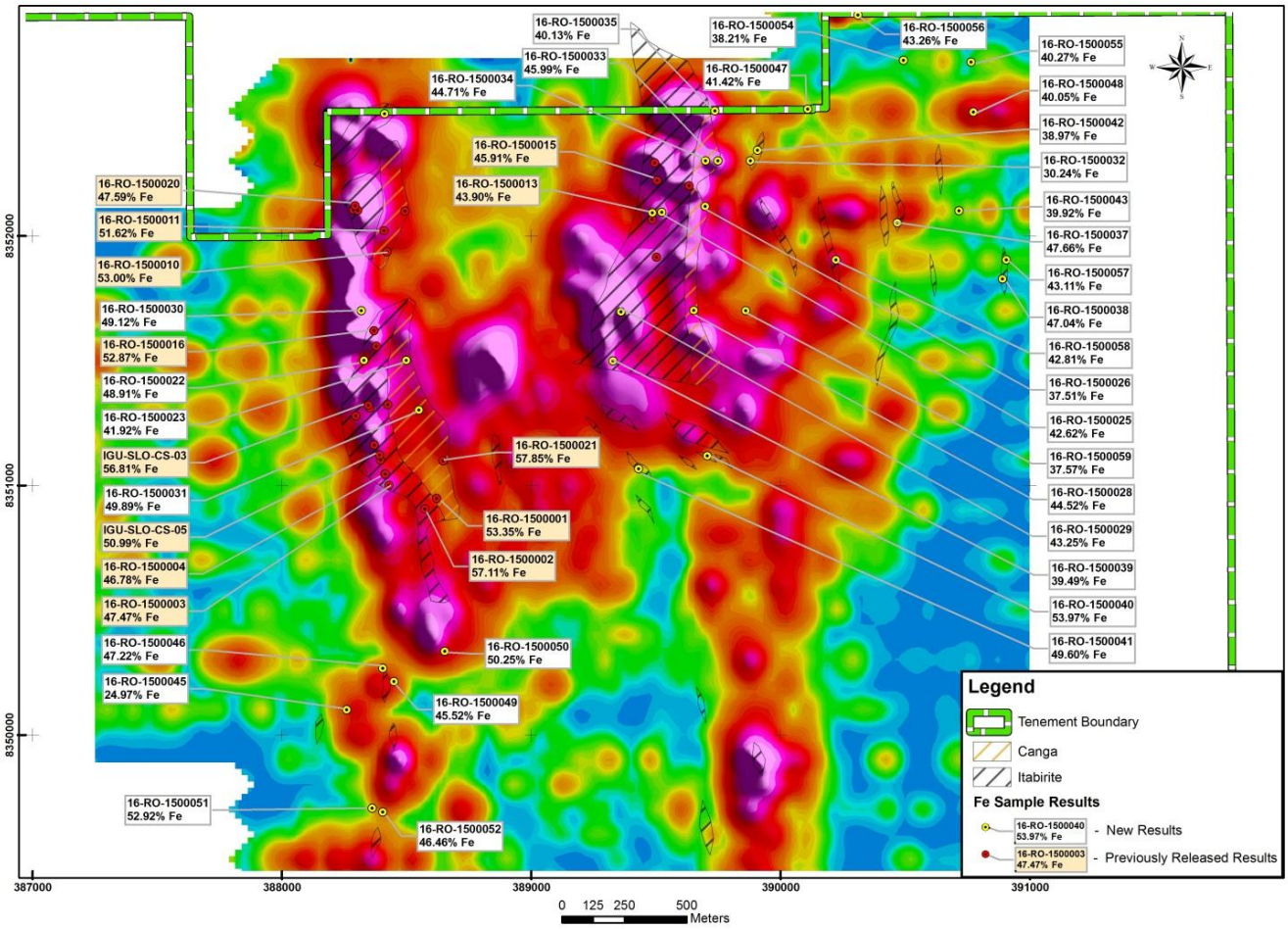

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Table 1 – Serra da Lontra Project - Outcrop sample Results – November, 2011.

Project	Sample ID	Sample Type	Rock Type	SAD East	SAD North	mRL	Fe%	SiO_2%	Al_2O_3%	P%	LOI
Serra da Lontra	16-RO-1500022	Outcrop	Itabirite	388330	8351500	950	48.91	22.49	1.53	0.071	5.65
Serra da Lontra	16-RO-1500023	Outcrop	Canga	388500	8351500	935	41.92	35.56	1.89	0.066	2.16
Serra da Lontra	16-RO-1500024	Subcrop	Itabirite	389486	8352092	769	44.6	33.25	0.64	0.014	2.25
Serra da Lontra	16-RO-1500025	Subcrop	Itabirite	389525	8352094	759	42.62	33.49	1.09	0.074	4.75
Serra da Lontra	16-RO-1500026	Subcrop	Itabirite	389699	8352118	663	37.51	44.23	0.39	0.084	-1.23
Serra da Lontra	16-RO-1500028	Outcrop	Itabirite	389652	8351701	680	44.52	30.65	1.39	0.071	3.80
Serra da Lontra	16-RO-1500029	Block	Canga	389360	8351694	753	43.25	34.70	0.53	0.076	1.42
Serra da Lontra	16-RO-1500030	Subcrop	Itabirite	388319	8351700	869	49.12	26.62	0.82	0.053	2.31
Serra da Lontra	16-RO-1500031	Subcrop	Canga	388550	8351301	939	49.89	9.91	9.60	0.008	7.79
Serra da Lontra	16-RO-1500032	Subcrop	Itabirite	389880	8352300	682	30.24	52.28	0.50	0.057	0.00
Serra da Lontra	16-RO-1500033	Outcrop	Canga	389750	8352300	767	45.99	25.55	1.52	0.100	7.14
Serra da Lontra	16-RO-1500034	Outcrop	Canga	389700	8352300	765	44.71	32.60	0.53	0.049	2.21
Serra da Lontra	16-RO-1500035	Subcrop	Itabirite	389738	8352500	667	40.13	42.09	0.48	0.063	-1.17
Serra da Lontra	16-RO-1500036	Outcrop	Canga	388412	8352489	990	44.3	27.35	2.03	0.107	6.68
Serra da Lontra	16-RO-1500037	Subcrop	Itabirite	390469	8352051	519	47.66	23.87	1.81	0.085	5.77
Serra da Lontra	16-RO-1500038	Subcrop	Itabirite	390892	8351827	470	47.04	26.93	0.91	0.070	4.11
Serra da Lontra	16-RO-1500039	Subcrop	Itabirite	389328	8351498	718	39.49	39.68	0.59	0.108	3.07
Serra da Lontra	16-RO-1500040	Subcrop	Itabirite	389707	8351118	677	53.97	9.56	2.66	0.135	9.20
Serra da Lontra	16-RO-1500041	Subcrop	Itabirite	389431	8351065	724	49.6	23.66	1.05	0.049	3.55
Serra da Lontra	16-RO-1500042	Subcrop	Itabirite	389909	8352342	609	38.97	41.52	1.00	0.088	-0.39
Serra da Lontra	16-RO-1500043	Subcrop	Itabirite	390717	8352100	498	39.92	39.94	0.86	0.050	1.93
Serra da Lontra	16-RO-1500045	Block	Laterite	388260	8350099	910	24.97	45.77	13.51	0.014	3.06
Serra da Lontra	16-RO-1500046	Outcrop	Itabirite	388405	8350266	857	47.22	27.60	1.02	0.209	3.23
Serra da Lontra	16-RO-1500047	Block	Itabirite	390109	8352507	582	41.42	39.20	0.49	0.050	1.05
Serra da Lontra	16-RO-1500048	Block	Itabirite	390774	8352495	473	40.05	41.71	0.48	0.037	0.22
Serra da Lontra	16-RO-1500049	Block	Laterite	388451	8350213	862	45.52	24.86	2.20	0.080	6.93
Serra da Lontra	16-RO-1500050	Block	Itabirite	388654	8350334	807	50.25	14.43	1.88	0.108	11.22
Serra da Lontra	16-RO-1500051	Block	Laterite	388363	8349705	906	52.92	4.92	4.96	0.134	13.73
Serra da Lontra	16-RO-1500052	Block	Laterite	388406	8349690	886	46.46	16.62	4.04	0.075	11.51
Serra da Lontra	16-RO-1500053	Block	Itabirite	390717	8352100	498	39.88	38.44	0.46	0.079	2.37
Serra da Lontra	16-RO-1500054	Block	Itabirite	390494	8352703	499	38.21	44.29	0.45	0.028	0.42
Serra da Lontra	16-RO-1500055	Block	Itabirite	390765	8352696	443	40.27	39.37	0.63	0.062	1.54
Serra da Lontra	16-RO-1500056	Block	Itabirite	390311	8352885	539	43.26	36.15	0.57	0.055	0.73
Serra da Lontra	16-RO-1500057	Subcrop	Itabirite	390907	8351903	477	43.11	35.26	0.71	0.066	1.90
Serra da Lontra	16-RO-1500058	Block	Itabirite	390224	8351903	562	42.81	37.75	0.45	0.051	0.23
Serra da Lontra	16-RO-1500059	Outcrop	Itabirite	389861	8351699	622	37.57	42.17	1.40	0.058	2.46

*All samples were analysed using an XRF fusion method with LOI at 1000 0C

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