AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE

7 May 2013

HIGH-GRADE NEAR-SURFACE IRON ORE MINERALISATION INTERSECTED AT CANDONGA

Maiden JORC resource on track for June at satellite project located 33km from Jambreiro

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to advise that it is on track to complete a maiden JORC resource for a second potential satellite project to its flagship Jambreiro Iron Ore Project in south-east Brazil by June after receiving further positive drilling results from the 100%-owned **Candonga Iron Ore Project,** located 33km from Jambreiro (*see Figure 1*).

Centaurus has recently reported positive results for the Canavial Project, located 10km from Jambreiro, with a maiden JORC resource estimate scheduled for May 2013. Together these two satellite projects provide attractive opportunities to grow or extend the life of the Jambreiro Project. Candonga has the potential to provide coarse grained friable itabirite to Jambreiro.

Construction is scheduled to commence at Jambreiro shortly. Centaurus has commenced detailed engineering and design work and recently received the key Installation Licence (LI) for the Project which allows on-site construction activity to commence.

Highlights of the recent RC drilling results from Candonga, which support the results obtained from drilling and trenching conducted in 2010 and 2011, include the following continuous intersections of friable itabirite (see Table 1 attached for a full list of the drilling intersections):

- **58.0m @ 45.6% Fe, 2.6% Al_2O_3 and 0.11% P** from surface in Hole CDG-RC-13-00003
- **37.0m @ 56.5% Fe, 2.0% Al_2O_3 and 0.06% P** from surface in Hole CDG-RC-13-00008, including **20.0m @ 63.4% Fe, 0.6% Al_2O_3 and 0.03% P from 13.0 metres**
- **26.0m @ 45.3% Fe, 8.6% Al_2O_3 and 0.03% P** from 1.0 metre in Hole CDG-RC-13-00012
- **25.0m @ 45.9% Fe, 7.7% Al_2O_3 and 0.10% P** from surface in Hole CDG-RC-13-00010
- **24.0m @ 37.5% Fe, 1.7% Al_2O_3 and 0.10% P** from 30.0 metres in Hole CDG-RC-13-00007
- **22.0m @ 39.4% Fe, 3.5% Al_2O_3 and 0.10% P** from 34.0 metres in Hole CDG-RC-13-00009
- **19.0m @ 43.9% Fe, 4.1% Al_2O_3 and 0.13% P** from 26.0 metres in Hole CDG-RC-13-00005

These results are consistent with the results of the initial drill program undertaken in 2010, which returned the following intersections:

- **85.6m @ 40.0% Fe, 1.1% Al_2O_3 and 0.07% P** from 3.0 metres in diamond drill hole CDG-DD-001
- **53.0m @ 45.6% Fe, 1.5% Al_2O_3 and 0.12% P** from surface in RC drill hole CDG-RC-003
- **47.0m @ 36.9% Fe, 2.2% Al_2O_3 and 0.12% P** from surface in diamond drill hole BAR-003
- **12.0m @ 60.6% Fe, 4.2% Al_2O_3 and 0.02% P** from surface in RC drill hole CDG-RC-002

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The friable itabirite mineralisation at Candonga has been delineated in two distinct zones. The Western Zone and the Eastern Zone, separated by a north-south striking fault (see *Figure 2*). The two zones have a combined strike length of 1.6km of mineralisation with true widths varying between 25m to 50m. The principal iron minerals in the high-grade zone are medium to coarse grained magnetite and hematite with some goethite and limonite present.

Structural controls have generated zones of high-grade iron mineralisation which have then been further enriched through supergene processes near to surface. It is this higher grade shallow mineralisation that the recent drilling has been successfully targeting.

The Western Zone (where the results included in this release are generated from) is an east-west zone with a strike extent of around 700m where the mineralisation dips 20-30^{o} to the south-south-west (*see Figures 3 and 4*). The zones of friable itabirite mineralisation have true widths of between 25m to 50m with the wider zones generally nearer to the surface. Sections 3 and 5 in Figures 3 and 4 demonstrate the continuity down-dip of the Western Zone.

Drill hole CDG-RC-13-00008, which intersected 37m at 56.5% Fe, is located on the same section (Section 5) as drill hole CDG-RC-13-00007, which returned 24m at 37.5% Fe. On Section 3, 200m to the west of Section 5, drill hole CDG-RC-13-00003 returned 58m at 45.6% Fe. Between the two sections is a north-south striking fault that offsets the mineralisation (*see Figure 2*).

The Eastern Zone (where drill assays are yet to be received) is separated from the Western Zone by a north-east to south-west striking fault. The mineralisation intersected in the Eastern Zone has similar widths to those encountered in the Western Zone and is continuous along a strike length of some 900m and dips 20-30^{o} to the south-south-west. Assay results from the Eastern zone are expected by the end of the May.

The mineral assemblage of the Candonga friable itabirite mineralisation is different to that of the Jambreiro Project. Magnetite and hematite (probably martite) are the dominant iron oxides with some goethite, limonite, and quartz. The iron oxides are coarse to medium grained especially in the enriched zone near to surface.

Beneficiation testwork is underway on the Candonga mineralisation with samples from diamond drilling completed in 2010 dispatched recently for process testwork.

The current drilling campaign at Candonga, comprising 1,450m of RC drilling, has now been completed. It is expected that the maiden JORC Mineral Resource estimate for the Project will be completed by the end of June 2013.

Candonga is predominantly situated on farm land, which should lend itself to relatively simple environmental licensing for drilling and future project development, as was the case with Jambreiro.

Centaurus' Managing Director, Mr Darren Gordon, said the Candonga results demonstrated the benefits of undertaking well-directed exploration at prospective regional projects with the potential to add substantial value to the Jambreiro Project.

"The results show that the Candonga area hosts relatively high-grade friable itabirite mineralisation," Mr Gordon said. "Given the coarse nature of the mineralisation close to surface, Candonga has the potential to develop as an ideal feeder project for the Jambreiro plant once it is in production."

-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 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 he is 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 the information in the form and context in which it appears.

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Figure 1 – Candonga Project Location Map

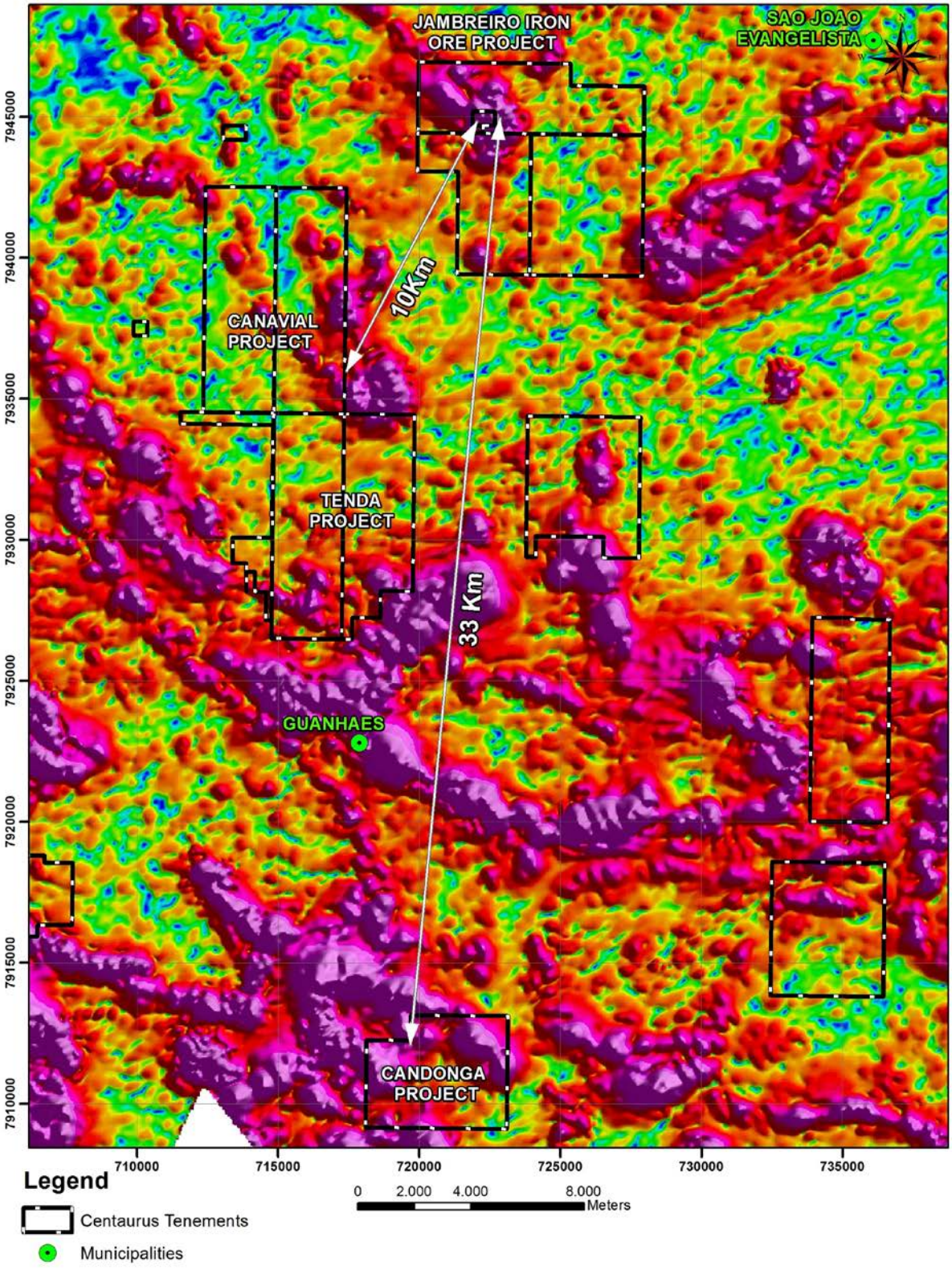

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Figure 2 – Candonga Iron Ore Project Map – Analytical Signal Mag Image and Drill Results – May 2013

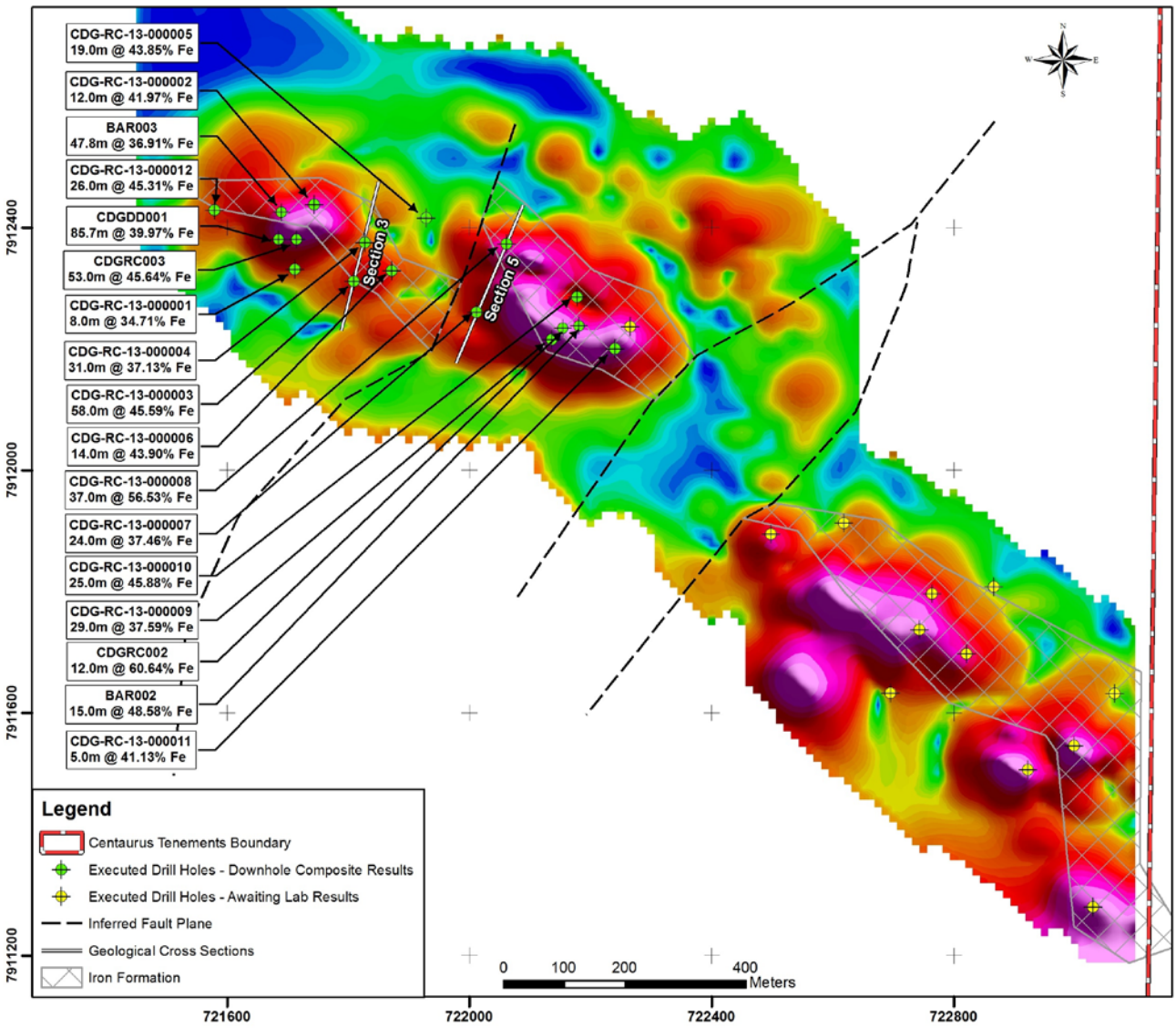

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Figure 3 – Candonga Iron Ore Project – Schematic Cross Section 3

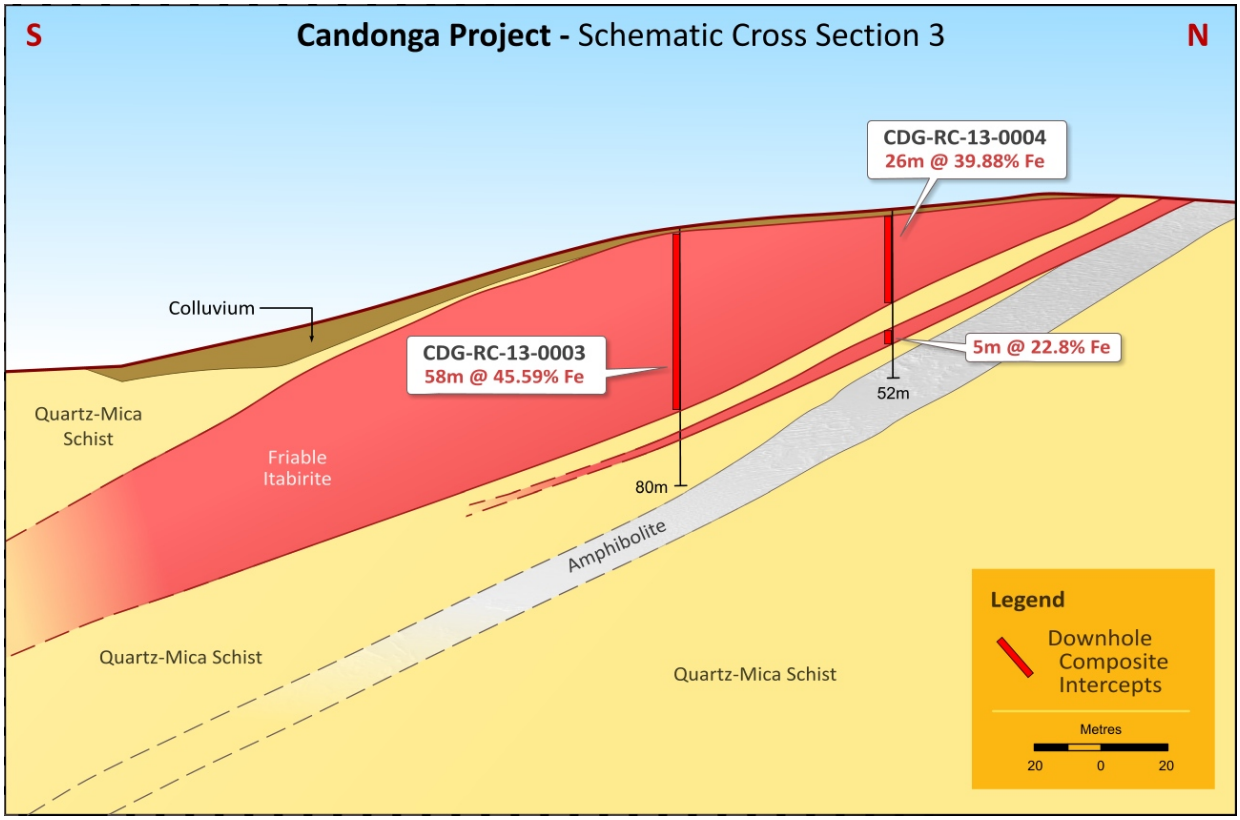

Figure 4 – Candonga Iron Ore Project – Schematic Cross Section 5

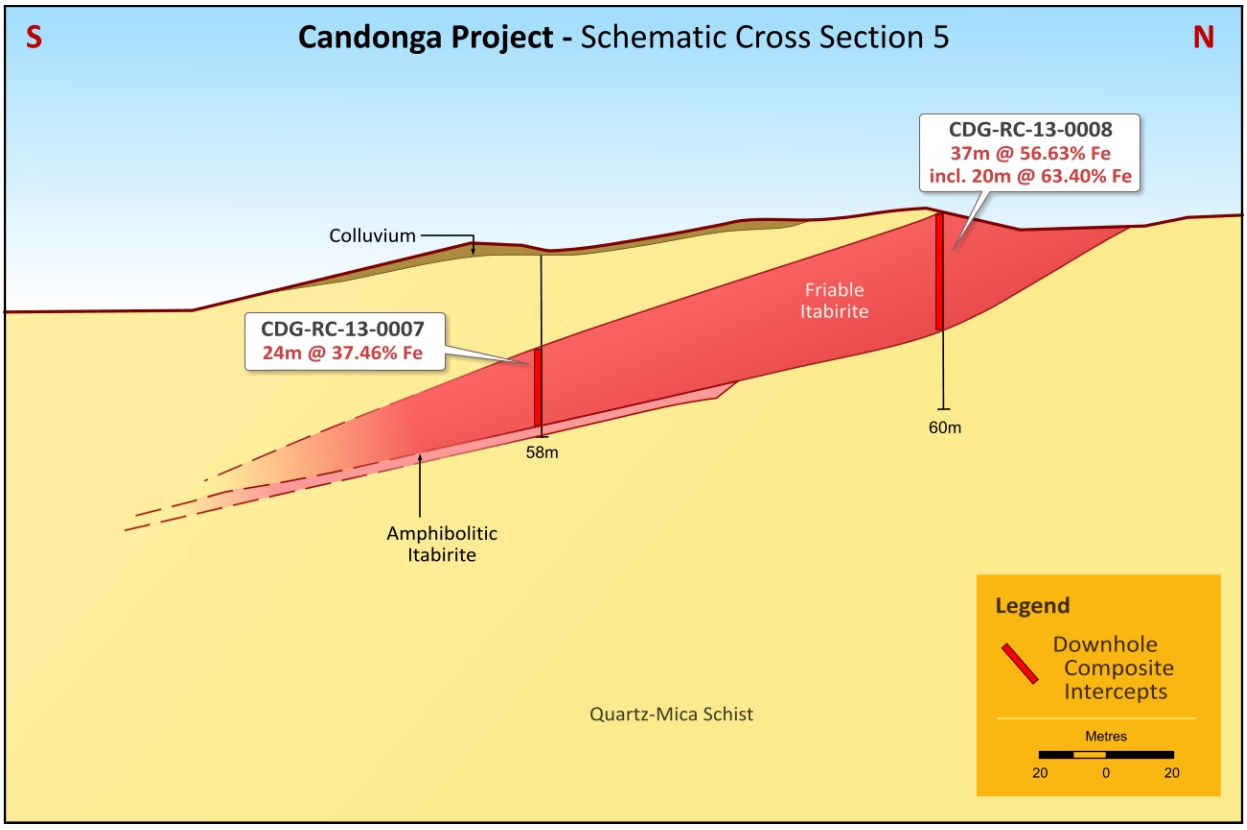

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Table 1 – Candonga Iron Ore Project - RC Drill Hole Results –May 2013

DOWN-HOLE INTERSECTIONS - CANDONGA - RC

Hole ID	SAD East	SAD North	mRL	Dip	Azi	Final Depth(m)	From (m)	To (m)	Downhole width (m)	Rock Type	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
CDG-RC-13-000001							0.00	5.00	5.00	Friable Itabirite	36.29	27.88	11.55	0.09	8.32
CDG-RC-13-000001							24.00	27.00	3.00	Friable Itabirite	32.06	26.33	14.55	0.07	7.35
CDG-RC-13-000001	**721712**	**7912332**	**855**	**-90**	**0**	**95.00**	**Downhole composite**		**8.00**		**34.71**	**27.30**	**12.68**	**0.08**	**7.96**
CDG-RC-13-000002							0.00	12.00	12.00	Friable Itabirite	41.97	22.44	8.49	0.07	5.47
CDG-RC-13-000002	**721744**	**7912438**	**857**	**-90**	**0**	**80.00**	**Downhole composite**		**12.00**		**41.97**	**22.44**	**8.49**	**0.07**	**5.47**
CDG-RC-13-000003							0.00	58.00	58.00	Friable Itabirite	45.59	27.41	2.58	0.11	4.08
CDG-RC-13-000003	**721810**	**7912312**	**867**	**-90**	**0**	**80.00**	**Downhole composite**		**58.00**		**45.59**	**27.41**	**2.58**	**0.11**	**4.08**
CDG-RC-13-000004							0.00	11.00	11.00	Friable Itabirite	37.40	34.15	7.40	0.04	4.45
CDG-RC-13-000004							14.00	29.00	15.00	Friable Itabirite	41.70	27.79	6.64	0.10	3.80
CDG-RC-13-000004							37.00	42.00	5.00	Friable Itabirite	22.82	29.66	22.36	0.21	10.47
CDG-RC-13-000004	**721828**	**7912376**	**874**	**-90**	**0**	**52.00**	**Downhole composite**		**31.00**		**37.13**	**30.35**	**9.45**	**0.10**	**5.11**
CDG-RC-13-000005							26.00	45.00	19.00	Friable Itabirite	43.85	28.42	4.06	0.13	3.75
CDG-RC-13-000005	**721929**	**7912416**	**886**	**-90**	**0**	**65.00**	**Downhole composite**		**19.00**		**43.85**	**28.42**	**4.06**	**0.13**	**3.75**
CDG-RC-13-000006							0.00	14.00	14.00	Friable Itabirite	43.90	25.35	6.02	0.09	4.73
CDG-RC-13-000006	**721872**	**7912329**	**874**	**-90**	**0**	**58.00**	**Downhole composite**		**14.00**		**43.90**	**25.35**	**6.02**	**0.09**	**4.73**
CDG-RC-13-000007							30.00	54.00	24.00	Friable Itabirite	37.46	39.47	1.67	0.10	0.01
CDG-RC-13-000007	**722012**	**7912261**	**850**	**-90**	**0**	**58.00**	**Downhole composite**		**24.00**		**37.46**	**39.47**	**1.67**	**0.10**	**0.01**
CDG-RC-13-000008							0.00	37.00	37.00	Friable Itabirite	56.53	14.17	2.01	0.06	1.85
CDG-RC-13-000008	**722062**	**7912374**	**861**	**-90**	**0**	**60.00**	**Downhole composite**		**37.00**		**56.53**	**14.17**	**2.01**	**0.06**	**1.85**
CDG-RC-13-000009							0.00	7.00	7.00	Friable Itabirite	31.99	27.50	15.24	0.23	7.96
CDG-RC-13-000009							34.00	56.00	22.00	Friable Itabirite	39.37	34.45	3.49	0.10	2.93
CDG-RC-13-000009	**722136**	**7912216**	**898**	**-90**	**0**	**75.00**	**Downhole composite**		**29.00**		**37.59**	**32.77**	**6.32**	**0.13**	**4.14**
CDG-RC-13-000010							0.00	25.00	25.00	Friable Itabirite	45.88	21.38	7.67	0.10	3.38
CDG-RC-13-000010	**722178**	**7912286**	**901**	**-90**	**0**	**60.00**	**Downhole composite**		**25.00**		**45.88**	**21.38**	**7.67**	**0.10**	**3.38**
CDG-RC-13-000011							0.00	5.00	5.00	Friable Itabirite	41.13	25.43	8.50	0.19	5.03
CDG-RC-13-000011	**722241**	**7912200**	**909**	**-90**	**0**	**70.00**	**Downhole composite**		**5.00**		**41.13**	**25.43**	**8.50**	**0.19**	**5.03**
CDG-RC-13-000012							1.00	27.00	26.00	Friable Itabirite	45.31	13.42	8.63	0.03	6.89
CDG-RC-13-000012	**721580**	**7912429**	**817**	**-90**	**0**	**60.00**	**Downhole composite**		**26.00**		**45.31**	**13.42**	**8.63**	**0.03**	**6.89**

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 0C

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