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CENTAURUS REPORTS POSITIVE DRILLING RESULTS FROM CANAVIAL IRON ORE PROJECT

Maiden JORC resource for emerging project located 10km from Jambreiro expected by May 2013

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to report further positive drilling results from its 100%-owned **Canavial Iron Ore Project,** located 10 kilometres from the Company's flagship Jambreiro Iron Ore Project in Minas Gerais, Brazil (*see Figure 1*), supporting the positive initial results obtained from maiden drilling in 2011 and laying the foundations for a maiden JORC resource estimate.

The latest results add further weight to the emerging potential of the Canavial Project as an additional source of friable itabirite feed for the Jambreiro Project, where development is scheduled to commence later this year. On the strength of the results to date, Centaurus is aiming to complete a maiden JORC resource for Canavial by May this year.

Highlights of the recent RC drilling results include the following continuous intersections (see attached Table 1 for a full list of the drilling intersections to date from the Canavial Iron Ore Project):

- **37.0m @ 41.9% Fe, 7.2% Al_2O_3 and 0.05% P** from surface in Hole CAN-RC-12-00009
- **23.0m @ 42.0% Fe, 10.2% Al_2O_3 and 0.07% P** from surface in Hole CAN-RC-12-00015
- **12.0m @ 40.3% Fe, 5.5% Al_2O_3 and 0.06% P** from 17.0 metres in Hole CAN-RC-12-00012
- **19.0m @ 29.0% Fe, 4.6% Al_2O_3 and 0.07% P** from 69.0 metres in Hole CAN-RC-12-00011

The nature of the mineralisation identified at surface and in RC chips at the Canavial Project is, for the most part, the same as that at Jambreiro; accordingly, the Company expects that the Canavial mineralisation will be amenable to beneficiation to produce a high-grade, low impurity product in a similar way to Jambreiro.

Beneficiation test work using the Jambreiro flowsheet design is underway.

In addition, as the Canavial Project is predominantly covered by eucalypt plantation, environmental licensing for drilling and future project development will be relatively simple, as was the case with Jambreiro.

Centaurus delivered a positive Bankable Feasibility Study (BFS) on the Jambreiro Project in November 2012, outlining a robust 2Mtpa project capable of generating revenues of A$836 million and EBITDA of A$545 million over an initial 9-year life.

The Company has since commenced initial development activities and is progressing the statutory licensing process in line with the established schedule to enable site works to commence in Q2 2013.

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The recent drilling is the second campaign of drilling on the Canavial Project area. An initial exploration campaign conducted in 2011 returned the following continuous intersections (see Table 1 for complete results).

- **45.0m @ 37.9% Fe, 7.2% Al_2O_3 and 0.12% P** from 26.0 metres, and
- **28.0m @ 24.4% Fe, 6.6% Al_2O_3 and 0.07% P** from 126.0 metres in Hole CAN-RC-11-00005
- **27.0m @ 22.3% Fe, 2.3% Al_2O_3 and 0.07% P** from 58.0 metres in Hole CAN-RC-11-00003
- **19.0m @ 27.9% Fe, 3.2% Al_2O_3 and 0.10% P** from 13.0 metres in Hole CAN-RC-11-00006

The Canavial tenement is dominated by quartz-mica schists and soils that are locally iron rich with occasional outcrops of itabirite mineralisation associated with the Middle and Upper Formations of the Archean Guanhães Group – the same formation that hosts the Jambreiro Deposit.

Drilling at the Project targeting the iron-rich soils and anomalies from a ground magnetic survey completed in 2011 has confirmed the presence of itabirite mineralisation. Drilling to date has indicated that the main mineralised zone ranges in width between 15-45 metres, with average iron grades of between 30-40 % Fe.

The extension of the mineralisation is highlighted on Sections 2 and 5 shown in Figures 3 and 4.

On Section 5 (Figure 4), drill hole CAN-RC-12-00009 (37.0 metres at 41.9% Fe) is located on the same section as drill hole CAN-RC-11-00005 (45.0 metres at 37.9% Fe). The drill holes are around 100 metres apart on section. Some 700 metres along strike on Section 2 (Figure 3) drill hole CAN-RC-12-00015 intersected 23.0 metres at 42.0% Fe.

RC logging to-date indicates that the mineral assemblage of the Canavial mineralisation is similar to that of the Jambreiro Project with hematite (probably martite) and magnetite being the dominate iron oxides with quartz and some clay minerals. Locally some shallow mineralised intervals have elevated levels of Al_2O_3 and P due to the clay minerals. It is expected that these gangue minerals will clean up in the beneficiation process to produce a high iron, low impurity iron product similar to that which is to be produced at Jambreiro.

The current RC drilling campaign at Canavial comprised approximately 2,000 metres of drilling. Samples from the final 16 holes of the program are currently being processed and results from this last batch of holes are due in March. It is expected that the maiden JORC Resource estimate for the Project will be completed by May 2013. Three 50kg samples of RC chips have been taken for ore beneficiation test work specifically tailored to the current Jambreiro process circuit.

Centaurus' Managing Director, Mr Darren Gordon, said "*We are pleased with these early drill results from the Canavial Project. To have a potential source of additional friable itabirite feed only 10 kilometres from the Jambreiro Plant site has obvious advantages to the Company as we look to grow the business. We are committed to steady but continuous exploration and development of the region, and to increasing our resource base to underpin extensions to the current 9-year friable ore mine life of the Jambreiro Project.*"

-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 – Canavial Project Location Map

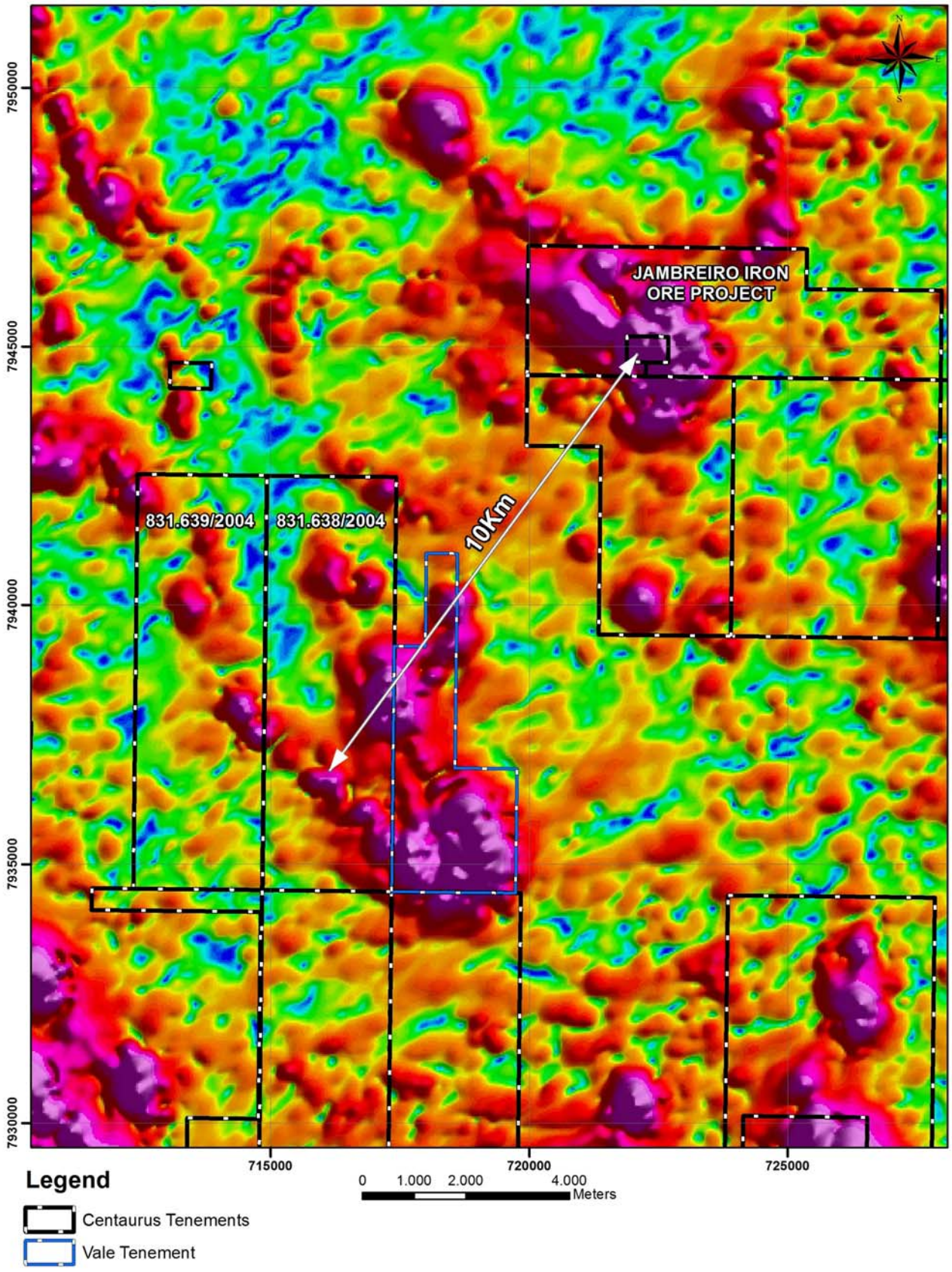

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Figure 2 – Canavial Iron Ore Project Map – Analytical Signal Mag Image and Drill Results – February 2013

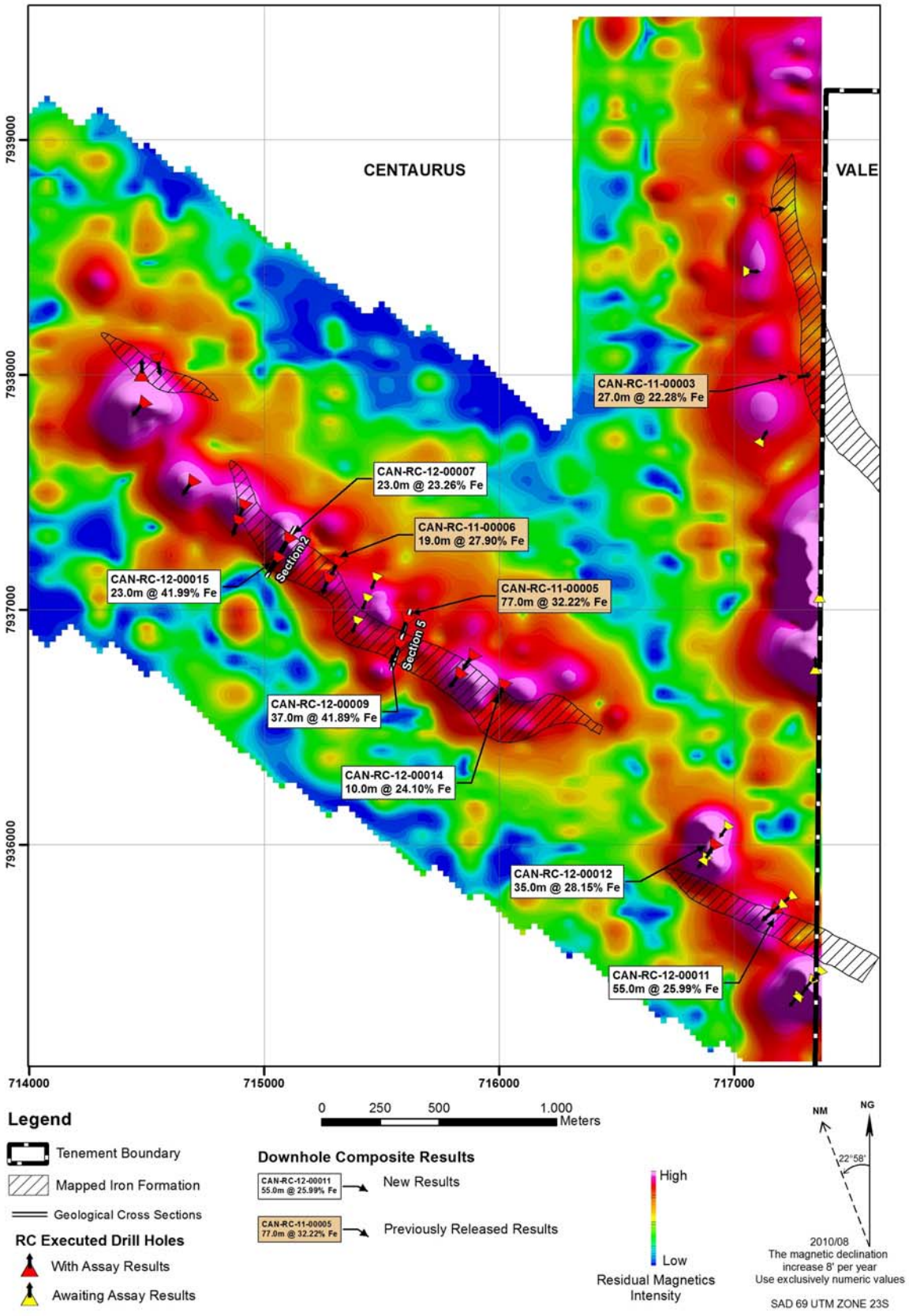

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Figure 3 – Canavial Iron Ore Project – Schematic Cross Section 2

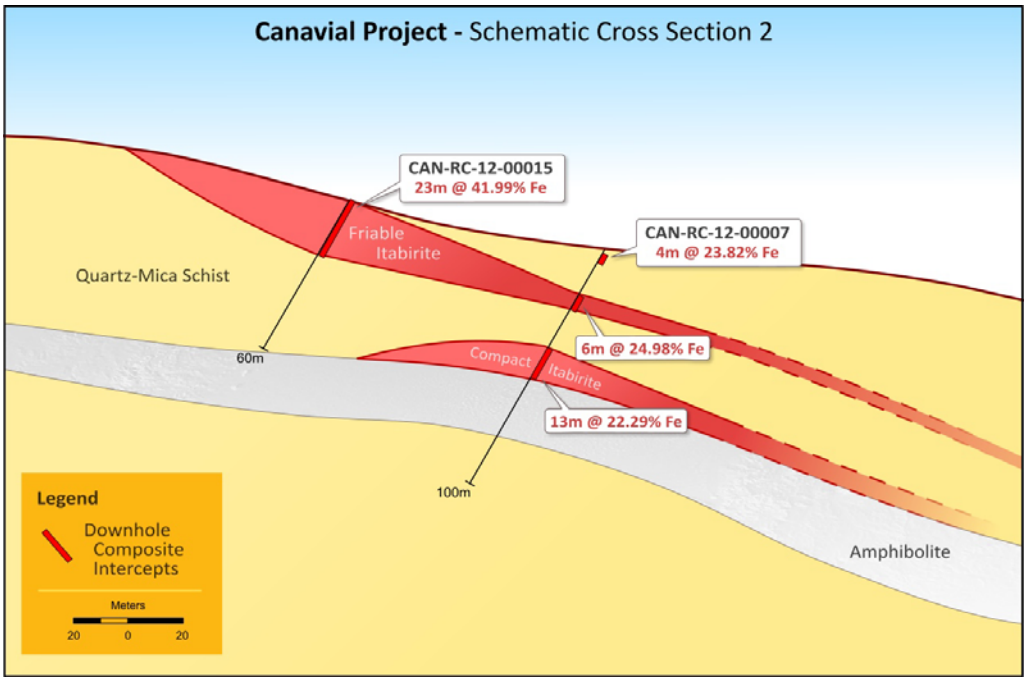

Figure 4 – Canavial Iron Ore Project – Schematic Cross Section 5

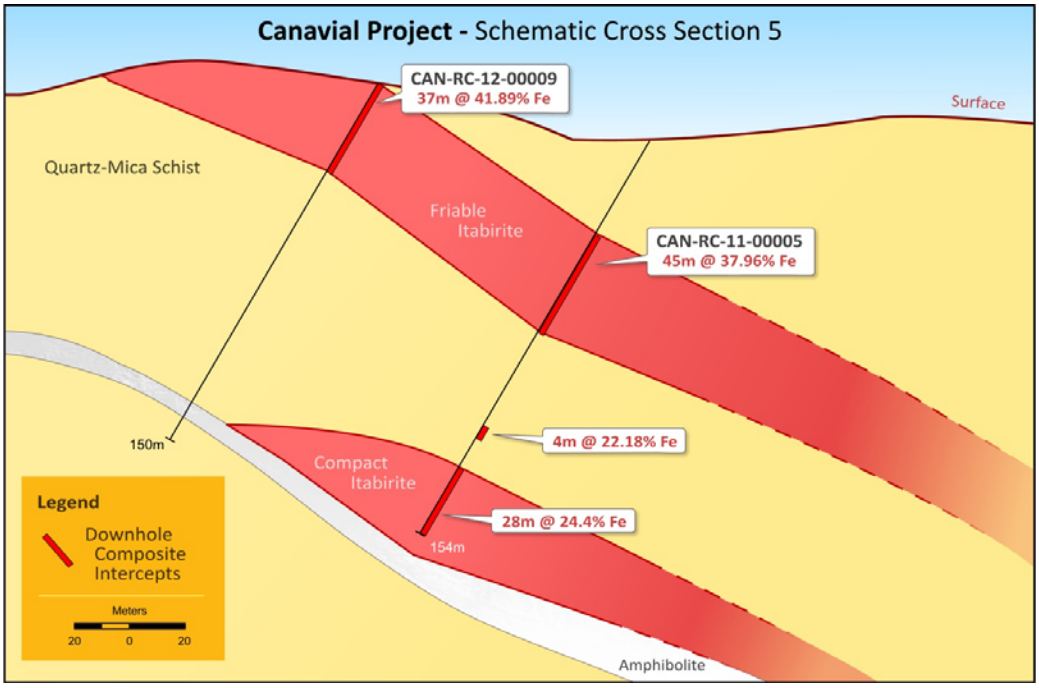

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Table 1 – Canavial Iron Ore Project - RC Drill Hole Results – December 2011 and February 2013

DOWN-HOLE INTERSECTIONS - CANAVIAL I & II - 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%
CAN-RC-11-00001													
CAN-RC-11-00001	**714456**	**7938154**	**892**	**-60**	**170**	**128.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-11-00002													
CAN-RC-11-00002	**714479**	**7938002**	**938**	**-90**	**0**	**60.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-11-00003							58.00	85.00	27.00	22.28	40.12	2.32	0.07
CAN-RC-11-00003	**717268**	**7937992**	**871**	**-60**	**80**	**110.00**	**Downhole composite**		**27.00**	**22.28**	**40.12**	**2.32**	**0.07**
CAN-RC-11-00004													
CAN-RC-11-00004	**717115**	**7938482**	**888**	**-60**	**80**	**100.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-11-00005							26.00	71.00	45.00	37.96	26.53	7.27	0.12
CAN-RC-11-00005							111.00	115.00	4.00	22.18	47.69	9.12	0.08
CAN-RC-11-00005							126.00	154.00	28.00	24.43	43.07	6.56	0.07
CAN-RC-11-00005	**715604**	**7936934**	**848**	**-60**	**200**	**154.00**	**Downhole composite**		**77.00**	**32.22**	**33.64**	**7.11**	**0.10**
CAN-RC-11-00006							13.00	32.00	19.00	27.90	42.72	3.20	0.10
CAN-RC-11-00006	**715308**	**7937196**	**822**	**-60**	**205**	**90.00**	**Downhole composite**		**19.00**	**27.90**	**42.72**	**3.20**	**0.10**
CAN-RC-12-00007							3.00	7.00	4.00	23.82	41.88	15.75	0.03
CAN-RC-12-00007							22.00	28.00	6.00	24.98	50.80	4.34	0.07
CAN-RC-12-00007							41.00	54.00	13.00	22.29	45.01	0.90	0.04
CAN-RC-12-00007	**715097**	**7937293**	**869**	**-60**	**210**	**100.00**	**Downhole composite**		**23.00**	**23.26**	**45.97**	**4.38**	**0.04**
CAN-RC-12-00008													
CAN-RC-12-00008	**715271**	**7937122**	**831**	**-60**	**200**	**50.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-12-00009							0.00	37.00	37.00	41.89	21.45	7.24	0.05
CAN-RC-12-00009	**715572**	**7936845**	**881**	**-60**	**200**	**150.00**	**Downhole composite**		**37.00**	**41.89**	**21.45**	**7.24**	**0.05**
CAN-RC-12-000010													
CAN-RC-12-000010	**715825**	**7936717**	**897**	**-60**	**215**	**100.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-12-00011							4.00	8.00	4.00	24.24	37.03	16.34	0.04
CAN-RC-12-00011							69.00	88.00	19.00	28.97	41.86	4.56	0.07
CAN-RC-12-00011							100.00	116.00	16.00	25.76	41.19	2.37	0.05
CAN-RC-12-00011							127.00	143.00	16.00	23.12	41.41	1.46	0.03
CAN-RC-12-00011	**717166**	**7935714**	**887**	**-60**	**230**	**100.00**	**Downhole composite**		**55.00**	**25.99**	**41.18**	**3.87**	**0.05**
CAN-RC-12-00012							17.00	29.00	12.00	40.27	22.29	5.53	0.06
CAN-RC-12-00012							45.00	62.00	17.00	21.76	41.54	1.55	0.05
CAN-RC-12-00012							74.00	80.00	6.00	22.03	37.97	13.17	0.06
CAN-RC-12-00012	**716911**	**7935989**	**884**	**-60**	**215**	**100.00**	**Downhole composite**		**35.00**	**28.15**	**34.32**	**4.91**	**0.05**
CAN-RC-12-000013													
CAN-RC-12-000013	**715882**	**7936796**	**888**	**-60**	**215**	**130.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-12-00014							40.00	44.00	4.00	25.82	49.42	7.61	0.11
CAN-RC-12-00014							70.00	76.00	6.00	22.95	45.72	1.00	0.03
CAN-RC-12-00014	**716017**	**7936670**	**905**	**-60**	**200**	**140.00**	**Downhole composite**		**10.00**	**24.10**	**47.20**	**3.64**	**0.06**
CAN-RC-12-00015							0.00	23.00	23.00	41.99	16.51	10.16	0.07
CAN-RC-12-00015	**715050**	**7937212**	**885**	**-60**	**210**	**60.00**	**Downhole composite**		**23.00**	**41.99**	**16.51**	**10.16**	**0.07**
CAN-RC-12-000016													
CAN-RC-12-000016	**714912**	**7937435**	**894**	**-60**	**200**	**80.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-12-000017													
CAN-RC-12-000017	**714887**	**7937369**	**916**	**-60**	**200**	**60.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-12-000018													
CAN-RC-12-000018	**714688**	**7937537**	**907**	**-60**	**215**	**70.00**	**NO SIGNIFICANT INTERSECTION**						
CAN-RC-12-000019													
CAN-RC-12-000019	**714479**	**7937871**	**876**	**-60**	**220**	**80.00**	**NO SIGNIFICANT INTERSECTION**						

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