

22 May 2012

CENTAURUS ACQUIRES NEW BRAZILIAN IRON ORE PROJECT

Curral Velho Project located 60km from major new rail system in State of Paraiba, connecting to Suape Port

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to advise that it has acquired a new iron ore exploration project in the State of Paraiba, north-eastern Brazil, through an innovative tenement swap agreement – further strengthening its pipeline of iron ore exploration and development projects.

The acquisition is consistent with Centaurus' strategy of acquiring prospective iron ore projects which are strategically located near open access infrastructure, offering potentially low development costs.

The **Curral Velho Iron Ore Project** comprises six tenements covering an area of 83 square kilometres. It is located approximately 350km from the major Brazilian export port of Suape in the neighbouring State of Pernambuco (see *Figure 1*) and only 60km from the new Transnordestina rail system, which is currently under construction (*Figure 2*) and due for completion in late 2014, connecting to the Suape port complex.

The Suape Port, recognised as one of the most technologically advanced ports in Brazil (*Figure 3*), currently exports approximately 11 million tonnes of product annually, ranging from agricultural products and petrochemical liquids to general cargo, is also capable of receiving bulk commodities. The Suape Port has a draft of -15.5 metres for the inner harbour and -20 metres for the outer harbour.

The iron mineralisation at Curral Velho has initially been observed over a strike length of some 6 kilometres, of a total prospective strike length of some 20 kilometres, with rock chip sampling by the project vendor, showing average grades of itabirite iron mineralisation at surface between 30% and 40% Fe. Detailed field mapping, regional aeromagnetics and ground magnetic work still needs to be undertaken.

Based on the previous rock chip sampling work completed and the recent initial field mapping by Centaurus, the Company has established an Exploration Target for the Curral Velho Project of **30 to 40 million tonnes grading 30 to 40% Fe¹**.

In consideration for acquiring the Curral Velho Iron Ore Project, Centaurus will transfer its interests in its non-core Caçapava Copper/Gold Project in southern Brazil to a group company of the project vendor. The acquisition enables Centaurus to realise value from its non-core copper/gold tenement package while further strengthening its Brazilian iron ore portfolio.

Centaurus' Managing Director, Mr Darren Gordon, said the tenement swap arrangement represented an innovative way of realising value from its last non-core copper-gold exploration project in Brazil.

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.



AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

“The Curral Velho Project ticks all the boxes in terms of our criteria for new projects in Brazil, offering strong prospectivity and the opportunity to delineate a sizeable resource combined with an attractive location near to open access rail and port infrastructure,” Mr Gordon said.

“We are looking forward to commencing exploration activities at Curral Velho in due course,” he added.

-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 Statement

The information in this report that relates to Exploration Results is based on information compiled by Geologist Dr Klaus Petersen who is a Member of the Australasia Institute of Mining and Metallurgy and CREA (Conselho Regional de Engenharia e Agronomia). Klaus Petersen is a permanent employee of Centaurus Metals Limited.

Dr Klaus Petersen has sufficient experience which is relevant to the style of mineralisation 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’. Dr Klaus Petersen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Figure 1 – Curral Velho Project Location Map



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



**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**

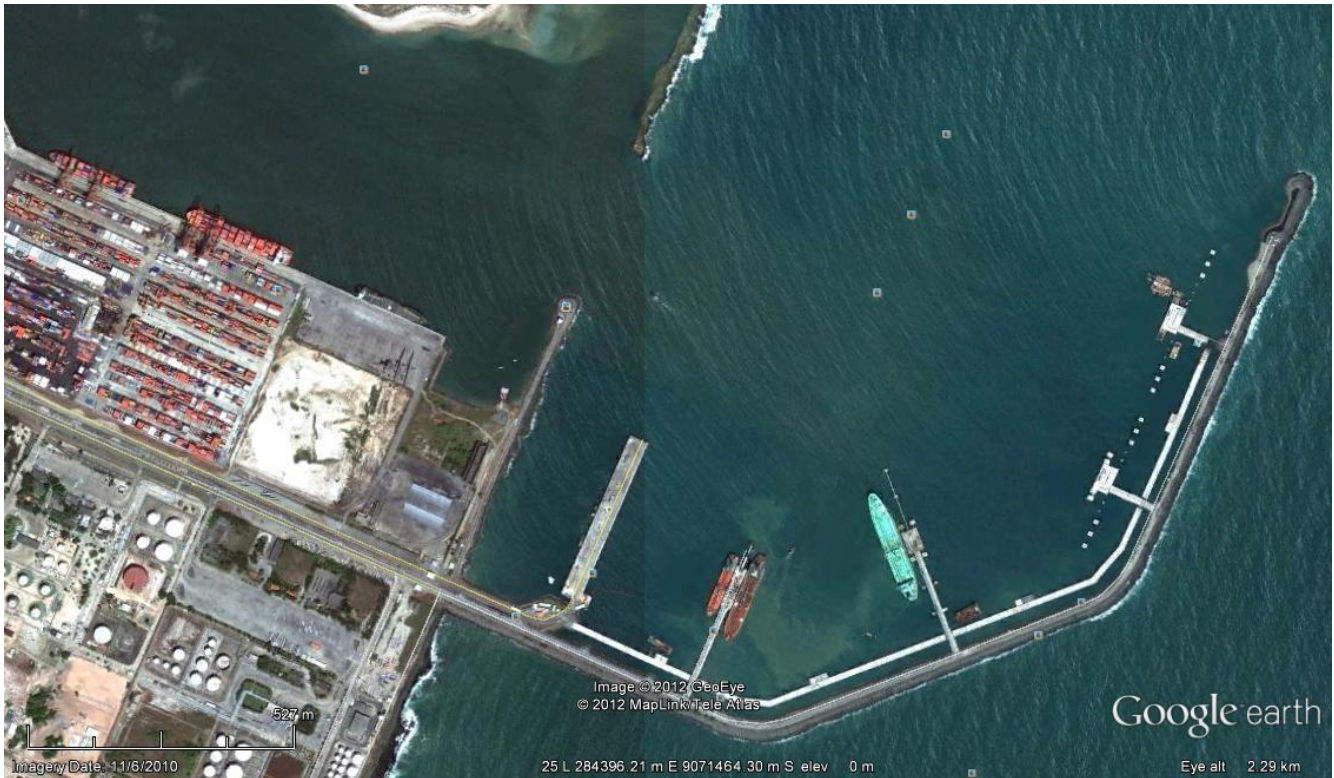
Figure 2 – Transnordestina Railway under Construction in Paraíba State, Brazil





**AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT
& MEDIA RELEASE**

Figure 3 – Images of Suape Port in Pernambuco State, Brazil



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