

10 May 2011

JAMBREIRO TRENCHING IDENTIFIES NEW IRON ORE PROSPECT

EXPLORATION DRILLING CAMPAIGN UNDERWAY

International iron ore company Centaurus Metals Limited (ASX Code: **CTM**) is pleased to announce that the ongoing trenching program at the Company's flagship **Jambreiro Iron Ore Project** in the State of Minas Gerais, south-east Brazil, has identified a new prospect known as the "Coelho Prospect", 500 metres to the south-west of the main Tigre Prospect (Figure 1), with exploration drilling now underway to test the prospectivity of this area.

Some key assay results from the Coelho trenching program include:

COELHO PROSPECT TRENCH PROGRAM - CONTINUOUS INTERSECTIONS

Hole ID	Trench Interval	Fe%*	SiO ₂ %	Al ₂ O ₃ %	P%
TR 0037	36.00	28.6	50.9	5.1	0.024
TR 0039	24.00	29.5	55.0	1.7	0.017

*20% Fe Cut Off

The mineralisation identified in the trenches is friable itabirite (Figure 2) which is expected to beneficiate easily to a high-grade hematite product (+63% Fe) consistent with the itabirite ore found within the other prospect areas at Jambreiro.

The recent trenching program comprised a total of seven trenches for 400 metres. The program was designed to target the magnetic anomaly identified in the ground magnetic survey and detailed geological mapping completed early in 2011.

Trench TR0037 and Trench TR0039 are interpreted to have intersected the footwall and hanging wall contacts of the new mineralised zone. Centaurus has commenced testing the down dip extension of the Coelho surface mineralisation as part of its current phase of exploration drilling at Jambreiro. The Coelho Prospect does not currently form part of the Inferred Resource at Jambreiro.

-ENDS-

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Competent Person's Statement

The information in this report that relates to Exploration Results for the Jambreiro Iron Ore Project 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.



Figure 1 – Map of the Coelho Prospect at Jambreiro Iron Ore Project Showing Trench Locations

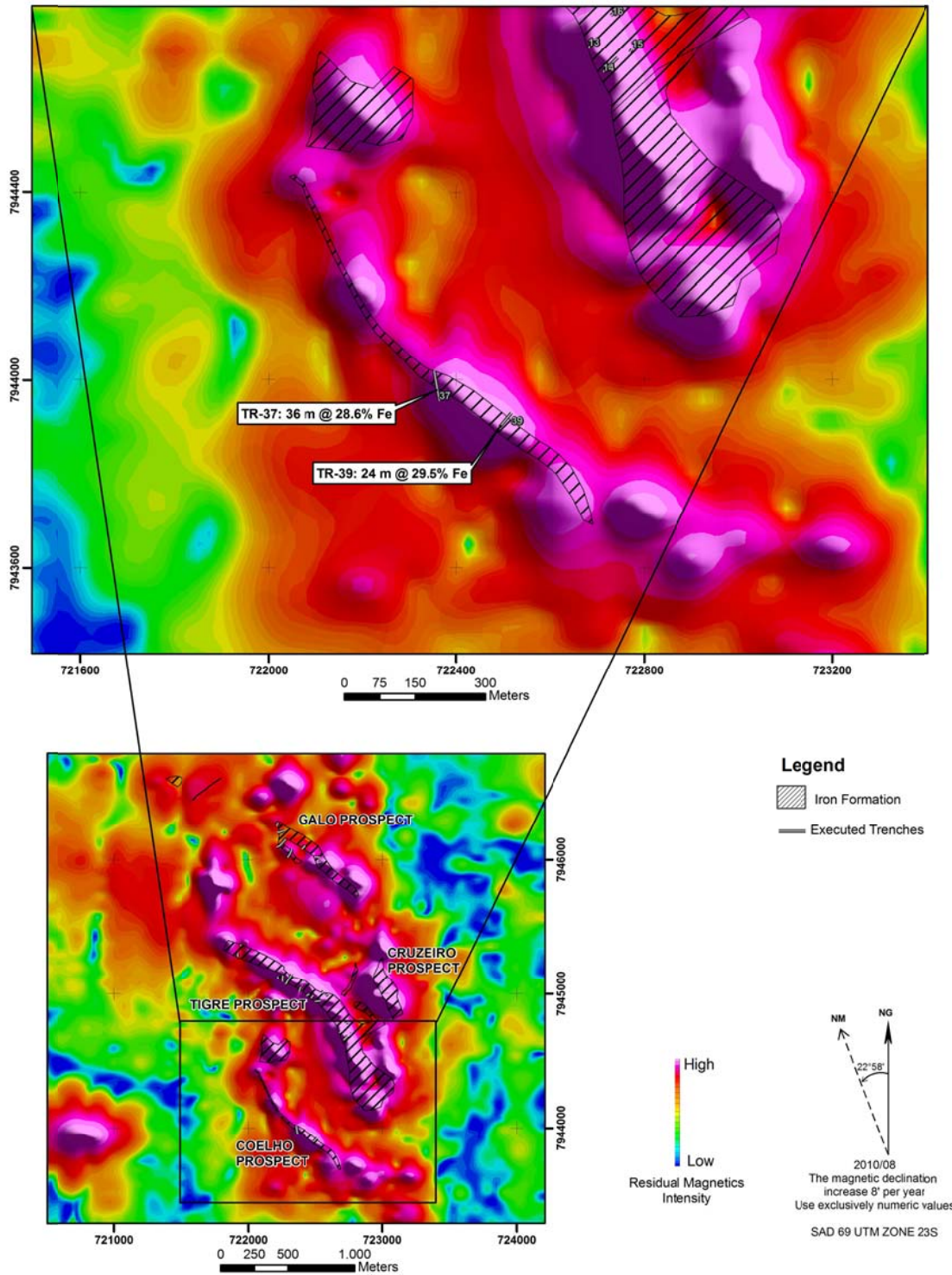




Figure 2 – Trenching Across the Mineralised Zone at Coelho Prospect, Jambreiro.





Table 1 – Trench Program Assay Results from Coelho Prospect at Jambreiro, May 2011

Hole ID	Trench Interval	Fe%	SiO ₂ %	Al ₂ O ₃ %	P%	Coordinates		
						East	North	mRL
TR 0034	<i>No Significant Intersection</i>					722171	7944128	950
TR 0035	4.00	29.0	53.1	3.6	0.020	722333	7944022	950
TR 0036	<i>No Significant Intersection</i>					722532	7943962	950
TR 0037	36.00	28.6	50.9	5.1	0.024	722365	7943954	907
TR 0038	<i>No Significant Intersection</i>					722138	7944112	907
TR 0039	24.00	29.5	55.0	1.7	0.017	722492	7943899	907
TR 0040	<i>No Significant Intersection</i>					722016	7944414	845

** A number of trenches returned results with no significant iron mineralisation intersection, in some of these cases only transported soil cover was encountered. Only where the in situ contacts were exposed was the surface interpretation adjusted accordingly.*