

16 August 2010

CENTAURUS AWARDED A\$2M IN DAMAGES FROM LEGAL PROCEEDINGS ON LIBERDADE IRON ORE PROJECT

International iron ore company Centaurus Metals Ltd (ASX Code: CTM) is pleased to advise that the legal action it initiated in June 2009 against its former Joint Venture partner in the Liberdade Iron Ore Project in south-east Brazil has been successfully concluded, resulting in the award of \$2 million in damages.

The legal action – against Mineração Marsil Ltda (“Marsil”) and an associated company, Master Mineração Ltda – has been concluded in the Arbitration Court of Minas Gerais, CAMARB.

In addition to ratifying the annulment of the contract, Centaurus has been awarded damages totalling BR\$3,103,617 (AUD2.00 million). As part of the award, interest is payable by Mineração Marsil Ltda on the amount awarded at the rate of 1% per month until the payment is received by Centaurus.

Centaurus is now in the process of enforcing the CAMARB judgement.

Background to the Legal Action

Centaurus was previously earning up to a 60% interest in the Liberdade Iron Ore Project, located in south east Brazil. Due to Marsil’s non-compliance with the joint venture contract, and having pursued all other avenues for the realisation of value from the Company’s investment in the Liberdade asset, Centaurus annulled the contract and commenced legal action against Marsil for breach of contract in June 2009.

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