

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT AND MEDIA RELEASE



11 April 2012

CENTAURUS DELIVERS STRONG RESULTS FROM MAIDEN DRILLING AT SERRA DA LONTRA IRON ORE PROJECT, BRAZIL

DRILLING SUPPORTS EXPLORATION TARGET OF 30-50Mt @ 30-40% Fe: MAIDEN JORC RESOURCE TARGETED BY JULY

International iron ore company Centaurus Metals Ltd (ASX Code: **CTM**) is pleased to report that the maiden drilling program at its **Serra da Lontra Iron Ore Project** in south-east Brazil has returned significant widths and grades of iron mineralisation, providing strong evidence of its potential to underpin a future iron ore export business for the Company.

Serra da Lontra, which is located 110km from the export port of Ilhéus in the State of Bahia, Brazil (*see Figure 1*), is expected to form the cornerstone of an Export Hub for Centaurus alongside its Domestic Iron Ore Business based around the Jambreiro Project in the State of Minas Gerais.

To date, Centaurus has completed a total of 2,900 metres of drilling at Serra da Lontra (1,600 metres of diamond and 1,300 metres of RC drilling), out of a planned 7,500 metre drilling program. The drilling is designed to underpin a maiden JORC resource estimate for the Project, which is targeted for July 2012.

Highlights of the first drill results include the following continuous intersections with many of these intersections falling within wider mineralised zones: (*see attached Tables 1 and 2 for a full listing of the drilling intersections to date from the Serra da Lontra Project*).

- **34.0 metres @ 36.6% Fe, 8.4% Al₂O₃ and 0.05% P** from surface in Hole SDL-RC-12-0001
- **15.0 metres @ 36.6% Fe, 2.2% Al₂O₃ and 0.06% P** from 7.0 metres, and
25.0 metres @ 33.4% Fe, 2.4% Al₂O₃ and 0.06% P from 59.0 metres in Hole SDL-RC-12-0002
- **21.0 metres @ 33.9% Fe, 6.8% Al₂O₃ and 0.06% P** from surface, and
10.0 metres @ 34.3% Fe, 5.6 % Al₂O₃ and 0.07% P from 25.0 metres in Hole SDL-RC-12-0005
- **25.0 metres @ 32.0% Fe, 2.0% Al₂O₃ and 0.07% P** from 61.0 metres in Hole SDL-RC-12-0006
- **23.2 metres @ 32.5% Fe, 1.2% Al₂O₃ and 0.08% P** from 11.0 metres in Hole SDL-DD-12-0001
- **31.7 metres @ 34.2% Fe, 4.7% Al₂O₃ and 0.06% P** from surface in Hole SDL-DD-12-0002
- **27.0 metres @ 34.3% Fe, 3.2% Al₂O₃ and 0.08% P** from 28.0 metres in Hole SDL-RC-12-0004
- **11.5 metres @ 41.6% Fe, 3.2% Al₂O₃ and 0.05% P** from surface, and
18.8 metres @ 34.0% Fe, 1.2% Al₂O₃ and 0.08% P from 19.8 metres in Hole SDL-DD-12-0007

The initial drilling at the **Fittipaldi Prospect** has encountered both siliceous and amphibiotic itabirite mineralisation ranging in **width between 15-35 metres**, with average iron grades of between 30-40% Fe. Whilst the beneficiation characteristics of the siliceous itabirite are generally well known, test work on both the siliceous and amphibiotic itabirite is currently underway at the University of São Paulo.

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Three 50kg samples of diamond core and RC chips have been taken for ore characterization and beneficiation test work. Two of the samples are from the primary siliceous itabirite mineralisation while the third is a sample of an amphibiotic itabirite. This ore type has been identified in the deeper drilling.

The assay results, combined with visual indications from more recent drilling, continue to confirm the sub-surface extension of the itabirite outcrop previously mapped at the Project.

The extension of the mineralisation from surface is highlighted by the continuous interval from drill holes **SDL-RC-12-0001 (34.0 metres at 36.6% Fe)** and **SDL-DD-12-0002 (31.7 metres at 34.2% Fe)** (see map in Figure 2). Both of these intersections started from surface near the crest of the ridge and are located on sections 200 metres apart, along strike in the central Fittipaldi Prospect area.

The recent drilling has provided strong support for the **Exploration Target¹ of 30 to 50 million tonnes grading 30 to 40% Fe** from only siliceous itabirite mineralisation for the Serra da Lontra Project. At this stage, no amphibiotic itabirite mineralisation has been considered in the Exploration Target, which has the potential to be significantly upgraded should this mineralisation upgrade economically to a high-grade iron product.

The drilling has also confirmed the relationship between the mineralisation dip and the natural slope of the ridge at the Fittipaldi Prospect, highlighting the shallow, sub parallel nature of the itabirite mineralisation in the Project area.

With the drill program at the Fittipaldi Prospect nearing completion, one of the contracted diamond rigs will now move to Jambreiro to commence the important geotechnical drilling required as part of the Jambreiro Bankable Feasibility Study. A diamond rig and a RC rig will continue drilling at Serra da Lontra with the rigs to progress onto the **Senna Prospect** over the next couple of weeks.

The Senna Prospect is located on a higher ridge, 1.2km south west of the Fittipaldi Prospect. Itabirite outcrop has been mapped over 1.2km of strike, although recent ground magnetics indicate that the anomaly extends for a further 800 metres. The itabirite mineralisation at Senna has an estimated true width of between 40 to 55 metres and dips 40-60° towards the east, sub-parallel to the slope of the ridges.

Centaurus' Managing Director, Mr Darren Gordon, said: *"The maiden drilling program at Serra da Lontra was off to a flying start, with initial results confirming significant widths and grades of continuous siliceous itabirite at the Fittipaldi Prospect, providing a high level of confidence in the previously published Exploration Target of 30-50 million tonnes."*

"Of particular interest are the significant widths of amphibiotic itabirite mineralisation also encountered in the drilling," he added. *"Whilst the beneficiation test work will be essential in assessing how this mineralisation type upgrades, the material has the potential to significantly enhance the Exploration Target and, ultimately, the overall size and potential of the Serra da Lontra Project."*

"We are very pleased with these early results, which have given us significant confidence in the potential of this Project to underpin our export strategy in Brazil. Our focus will be to progress the drilling, in parallel with ongoing geotechnical drilling at Jambreiro, as the basis for a maiden JORC resource at Serra da Lontra which we are confident of delivering in July this year," Mr Gordon added.

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.

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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 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 Reserves'. 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 –Location Maps Showing Infrastructure in the Immediate Locality of Serra da Lontra.

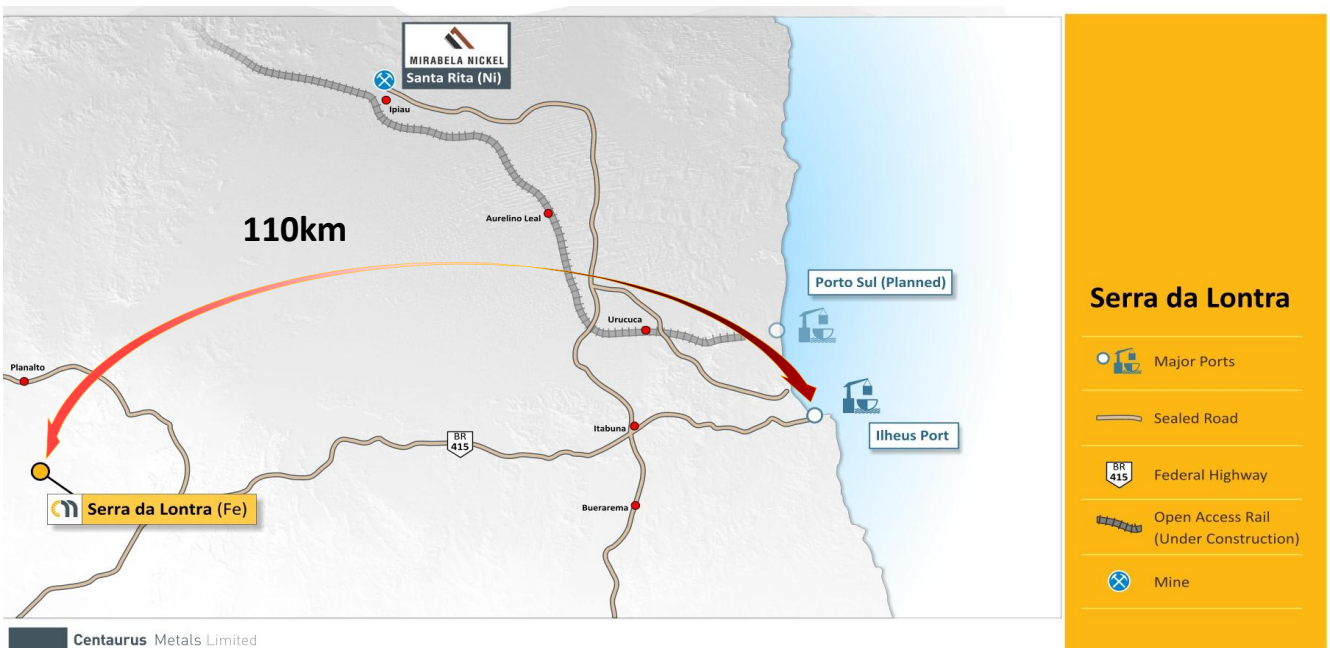
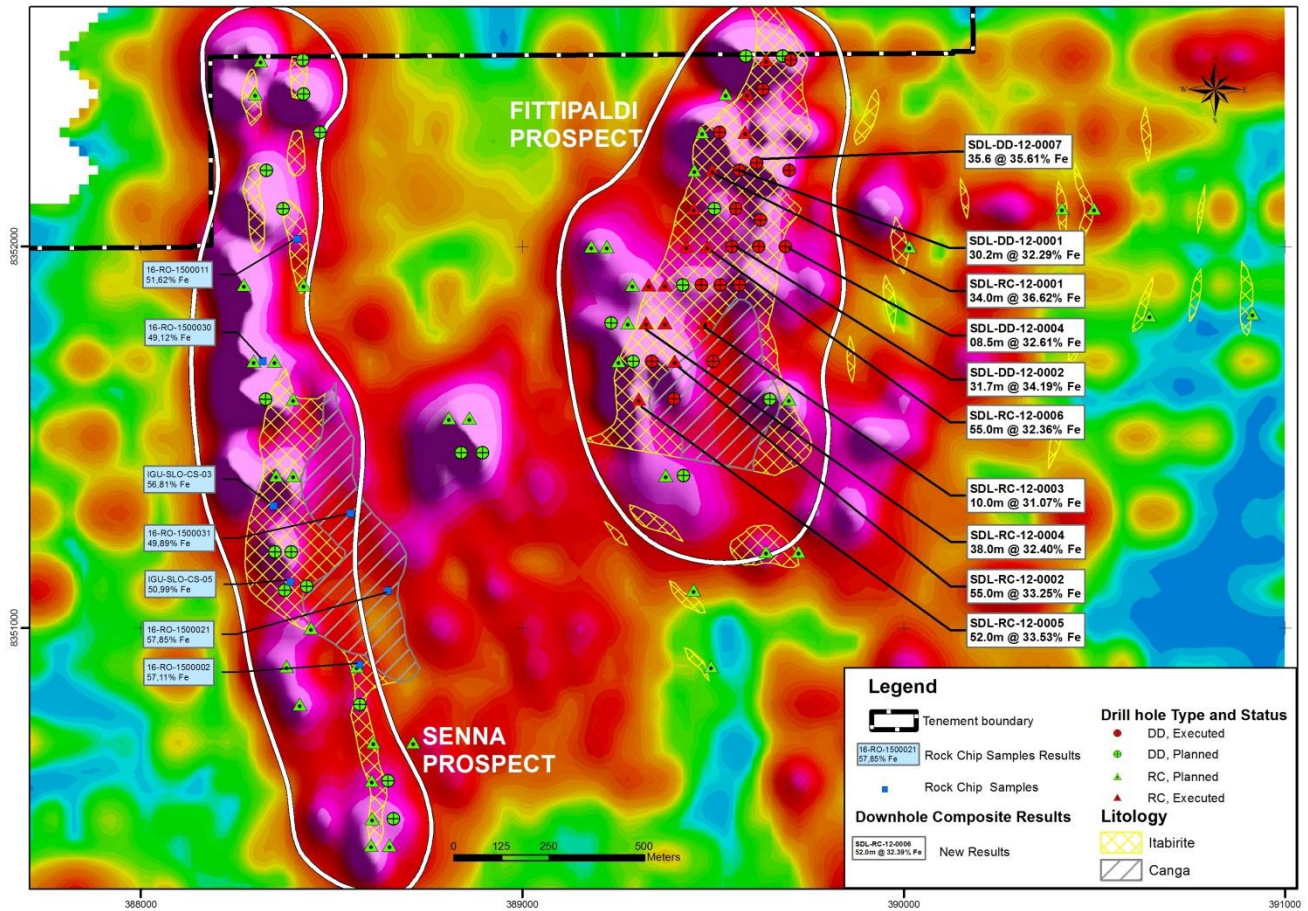




Figure 2
Serra da Lontra Iron Ore Project Map
Analytical Signal Mag Image and Down Hole Composite Drill Results
April 2012



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**Table 1
Serra da Lontra Iron Ore Project
New Diamond Drill Hole Results
April 2012**

DOWN-HOLE INTERSECTIONS - SERRA DA LONTRA - DDH														
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 ₂ O ₃ %	P%
SDL-DD-12-00001							11.00	34.20	23.20	Siliceous Itabirite	32.52	47.46	1.17	0.08
SDL-DD-12-00001							49.00	56.00	7.00	Amphibiotic Itabirite	31.55	46.17	2.65	0.08
SDL-DD-12-00001	389575	8352200	742	-60	270	129.05	Downhole composite		30.20		32.29	47.16	1.52	0.08
SDL-DD-12-00002							0.00	31.70	31.70	Siliceous Itabirite	34.19	40.42	4.65	0.06
SDL-DD-12-00002	389547	8352002	756	-60	270	130.10	Downhole composite		31.70		34.19	40.42	4.65	0.06
SDL-DD-12-00003	389730	8352200	640	-60	270	148.15	NO SIGNIFICANT INTERSECTION							
SDL-DD-12-00004							2.72	11.25	8.53	Siliceous Itabirite	32.61	47.78	1.49	0.08
SDL-DD-12-00004	389676	8352000	679	-60	30	121.25	Downhole composite		8.53		32.61	47.78	1.49	0.08
SDL-DD-12-00007							0.00	11.50	11.50	Colluvium	41.63	31.86	3.16	0.05
SDL-DD-12-00007							19.80	38.60	18.80	Siliceous Itabirite	33.95	46.02	1.21	0.08
SDL-DD-12-00007							53.75	59.00	5.25	Siliceous Itabirite	28.38	50.73	2.35	0.07
SDL-DD-12-00007	389606	8352220	733	-60	270	76.05	Downhole composite		35.55		35.61	42.14	2.01	0.07

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 °C

**Table 2
Serra da Lontra Iron Ore Project
New RC Drill Hole Results
April 2012**

DOWN-HOLE INTERSECTIONS - SERRA DO LONTRA - 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 ₂ O ₃ %	P%
SDL-RC-12-0001							0.00	34.00	34.00	Siliceous Itabirite	36.62	32.86	8.39	0.05
SDL-RC-12-0001	389498	8352200	786	-60	270	50	Downhole composite		34.00		36.62	32.86	8.39	0.05
SDL-RC-12-0002							0.00	4.00	4.00	Colluvium	34.24	26.63	14.16	0.07
SDL-RC-12-0002							7.00	22.00	15.00	Siliceous Itabirite	36.60	42.22	2.25	0.06
SDL-RC-12-0002							43.00	54.00	11.00	Siliceous Itabirite	27.89	46.02	5.17	0.07
SDL-RC-12-0002							59.00	84.00	25.00	Amphibiotic Itabirite	33.44	43.54	2.35	0.06
SDL-RC-12-0002	389405	8351700	741	-60	270	90	Downhole composite		55.00		33.25	42.44	3.75	0.06
SDL-RC-12-0003							0.00	10.00	10.00	Siliceous Itabirite	31.07	27.06	16.32	0.09
SDL-RC-12-0003	389491	8351799	731	-60	270	113	Downhole composite		10.00		31.07	27.06	16.32	0.09
SDL-RC-12-0004							0.00	8.00	8.00	Colluvium	29.76	22.64	20.81	0.07
SDL-RC-12-0004							14.00	17.00	3.00	Colluvium	22.32	32.83	21.73	0.09
SDL-RC-12-0004							28.00	55.00	27.00	Amphibiotic Itabirite	34.30	40.60	3.25	0.08
SDL-RC-12-0004	389390	8351805	756	-60	270	61	Downhole composite		38.00		32.40	36.21	8.40	0.08
SDL-RC-12-0005							0.00	21.00	21.00	Siliceous Itabirite	33.87	38.67	6.84	0.06
SDL-RC-12-0005							25.00	35.00	10.00	Siliceous Itabirite	34.30	38.79	5.64	0.07
SDL-RC-12-0005							46.00	59.00	13.00	Amphibiotic Itabirite	33.49	45.99	1.49	0.08
SDL-RC-12-0005							63.00	71.00	8.00	Amphibiotic Itabirite	31.74	46.11	1.66	0.09
SDL-RC-12-0005	389321	8351606	775	-60	270	80	Downhole composite		52.00		33.53	41.67	4.48	0.07
SDL-RC-12-0006							0.00	8.00	8.00	Siliceous Itabirite	36.76	34.00	6.69	0.05
SDL-RC-12-0006							37.00	45.00	8.00	Amphibiotic Itabirite	30.60	44.28	5.32	0.07
SDL-RC-12-0006							61.00	86.00	25.00	Amphibiotic Itabirite	32.04	45.69	2.03	0.07
SDL-RC-12-0006							97.00	100.00	3.00	Amphibiotic Itabirite	31.87	37.90	4.77	0.19
SDL-RC-12-0006							145.00	156.00	11.00	Amphibiotic Itabirite	31.32	43.50	2.80	0.07
SDL-RC-12-0006	389478	8352005	794	-60	270	166	Downhole composite		55.00		32.36	42.92	3.49	0.08

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 °C