

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

20 July 2010

CENTAURUS REPORTS FURTHER POSITIVE RESULTS FROM PASSABEM IRON ORE PROJECT, BRAZIL

RESOURCE UPGRADE EXPECTED BEFORE THE END OF SEPTEMBER 2010

Further to its release of 8 July 2010, international iron ore company, Centaurus Metals Ltd (ASX Code: CTM) is pleased to report that it has now received further positive assay results from the last two holes drilled in its recently completed diamond drilling program at the **Passabem Iron Ore Project** in south-eastern Brazil.

The last two holes delivered intersections of:

16.7 metres @ 34.3% Fe, 0.22% Al₂O₃ and 0.017% P from 31.2 metres in hole PSB-DD-0012
13.4 metres @ 30.4% Fe, 0.98% Al₂O₃ and 0.070% P from 65.0 metres in hole PSB-DD-0013

As reported previously, the 13-hole diamond drilling program intersected itabirite mineralisation over the **entire 5 kilometre strike length** of the mapped iron formation at Passabem, providing confidence that the initial Inferred Resource at Passabem of **2.6 Mt @ 31.3% Fe** can be significantly extended (*see Figure 1*).

Importantly, the grade and width of the intersections is consistent over the entire strike length of the mineralisation, with drill hole PSB-DD-0013 providing further evidence of the depth continuity of the ore body.

Bulk samples are now being collected from the drill core and assay residues to facilitate a full suite of metallurgical testing, and resource modelling has commenced with this work expected to be completed before the end of September 2010.

The Passabem Iron Ore Project forms part of the Company's domestic iron ore business in Brazil, where it is planning to establish an initial 3Mtpa production base by the end of 2013.

The Project is located 25 kilometres from Vale's 40Mtpa Itabira operations and is well located in relation to the existing steel-making regions of Ipatinga and João Monlevade, where Brazilian steel makers Usiminas and Arcelor Mittal are respectively located (*see Figure 2*).

-ENDS-

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Competent Person's Statement

The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Mr Ian Cullen who is a Member of the AusIMM. Ian Cullen is a permanent employee of Centaurus Metals Limited. Ian Cullen 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'. Ian Cullen consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

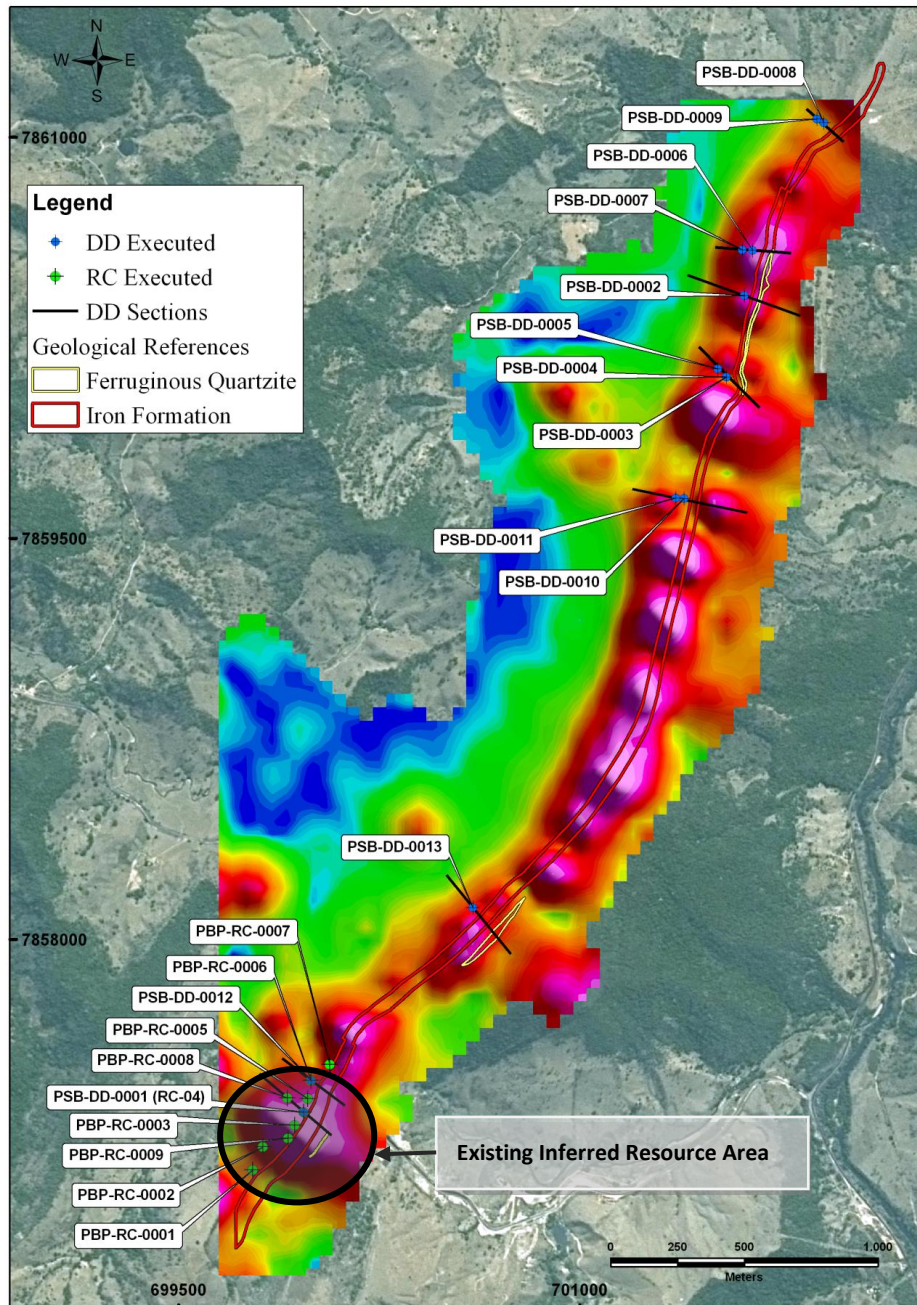


Figure 1 – Diamond Drill Hole Locations at Passabem with Magnetics and Mapped Iron Formation

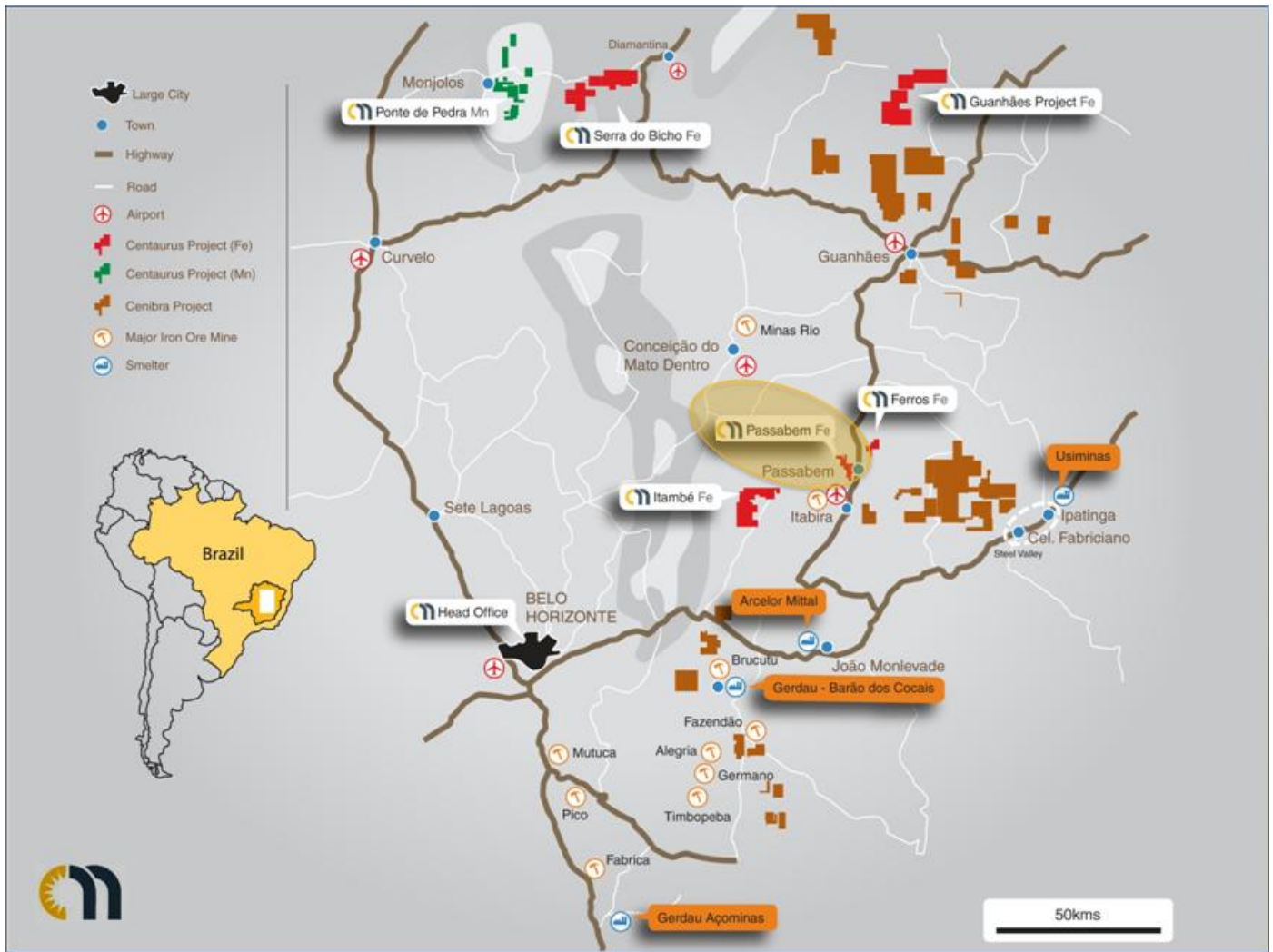


Figure 2 – Location Map of Passabem Iron Ore Project

APPENDIX 1
PASSABEM IRON ORE PROJECT
DIAMOND DRILL HOLE ASSAY RESULTS

HOLE-ID	EASTING	NORTHING	DIP	FROM	TO	WIDTH	Fe	SiO ₂	Al ₂ O ₃	P
				(m)	(m)	(m)	%	%	%	%
PSB-DD-0012	699995	7857472	-70	31.20	47.90	16.70	34.28	50.54	0.22	0.017
PSB-DD-0013	700552	7858076	-60	65.00	78.40	13.40	30.40	53.75	0.98	0.070

Passabem significant results, filtered for results greater than 3 metres and 25% Fe.