

## AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

29 June 2010

# DRILLING COMMENCES AT JAMBREIRO IRON ORE PROJECT

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Further to its ASX release of 11 June, international iron ore company Centaurus Metals Ltd (ASX Code: CTM) is pleased to announce the commencement of drilling at its recently acquired **Jambreiro Iron Ore Project**, located in the State of Minas Gerais in south-eastern Brazil.

The Company has moved quickly to commence the planned **3,500 metre drill campaign** after exercising its option to acquire 100% of the Jambreiro Project.

The drilling will test the **7 kilometre strike length** of the mapped iron formation which correlates with a strong ground magnetic signature (see Figure 1).

The drilling program, which is expected to take approximately 8 weeks, is designed to validate an Exploration Target<sup>1</sup> of between **40 – 60 Mt itabirite iron ore @ 30 to 40% Fe**, previously estimated for the Jambreiro Project and to allow a mining study to be completed. Due to the friable nature of the iron mineralisation and favourable results of initial surface sampling, Centaurus expects that the in situ mineralisation at Jambreiro can be cost effectively beneficiated to a high grade (+63% Fe) product with very low deleterious element content.

The Jambreiro Iron Ore Project is located only 130 kilometres from the existing steel-making region of Ipatinga, where Brazilian steel maker, Usiminas, is currently producing 4.5mpta of steel. The Project has the potential to form a cornerstone of Centaurus' domestic iron ore business in south-east Brazil, where it has a portfolio of emerging production assets.

**-ENDS-**

**Released By:**

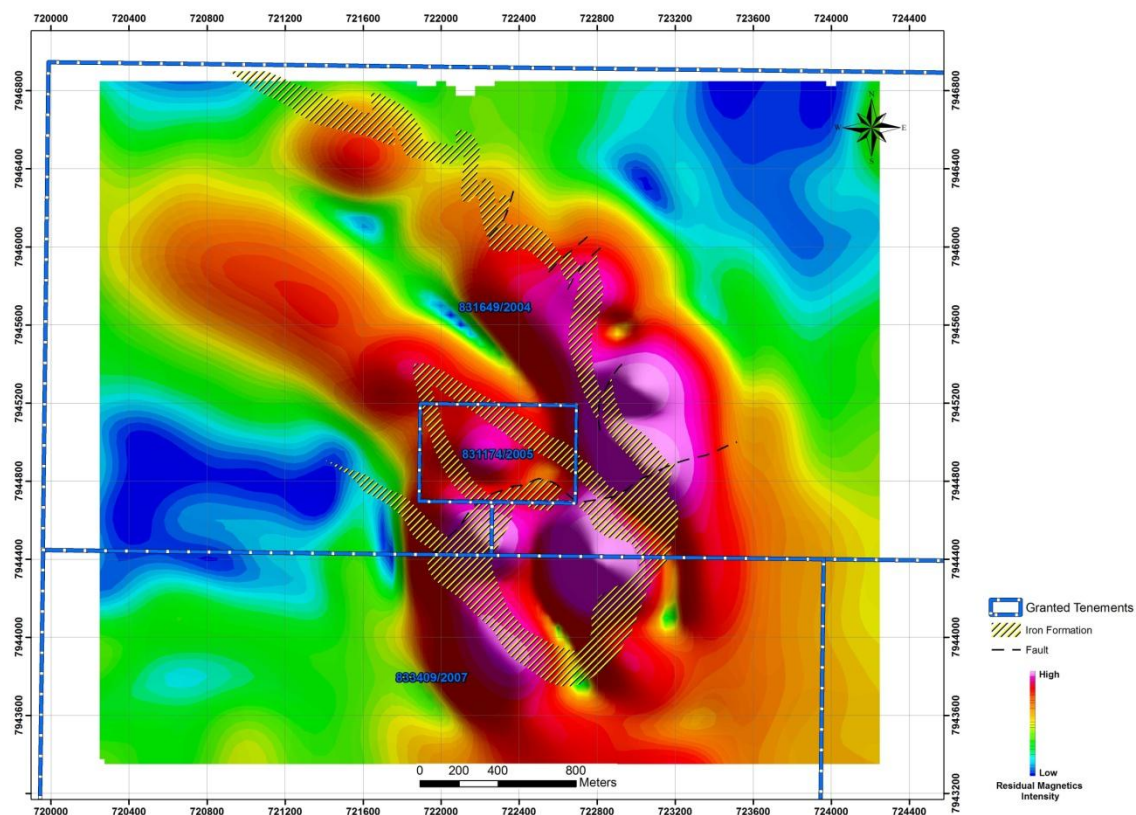
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<sup>1</sup> Note: It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of 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.



**Figure 1 – Jambreiro Project Ground Magnetics with Mapped Iron Formation**

### 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.