

26 July 2010

JUNE 2010 QUARTERLY ACTIVITIES REPORT

HIGHLIGHTS

- **Acquisition of Jambreiro Iron Ore Project in Brazil.**
 - Project acquired from leading Brazilian Pulp Company, Cenibra.
 - 3,500 metre RC percussion and diamond drilling program underway on 7 kilometre long mineralised zone.
 - Rock chips from outcropping itabirite indicate metallurgically simple, highly friable coarse grained nature of the mineralisation.
 - Remainder of Cenibras' tenure evaluated to facilitate tenement selection which occurred post the end of the quarter.
- **Resource upgrade drilling at the Passabem Iron Ore Project completed.**
 - Program intersected consistent grades and widths of itabirite mineralisation over the entire 5km strike length of mapped iron formation.
- **Preparations for resource upgrade drilling program completed for Itambé project.**
- **Change of name from Glengarry Resources Limited to Centaurus Metals Limited.**
 - Change of ASX code to CTM on 14 April 2010.

JAMBREIRO IRON ORE PROJECT (CTM 100%)

In June, 2010, Centaurus exercised its option with a leading Brazilian pulp company, Celulose Nipo-Brasileira S.A. ("Cenibra") to acquire a 100% interest in the **Jambreiro Iron Ore Project**, located in the State of Minas Gerais in south-eastern Brazil.

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In February 2010, Centaurus Metals Limited reached agreement with Cenibra, to secure ownership of an extensive portfolio of iron ore exploration tenements in south-east Brazil.

Centaurus exercised its option over the Jambreiro Project ahead of schedule following completion of a successful initial field review program, the positive results obtained from this work and the Company's strong desire to commence drilling at the Project.

The field review included surface sampling and geological mapping at Jambreiro, as well as a ground magnetic survey which clearly demonstrated that the mapped iron mineralisation correlates well with the underlying magnetic signature (see Figure 1).

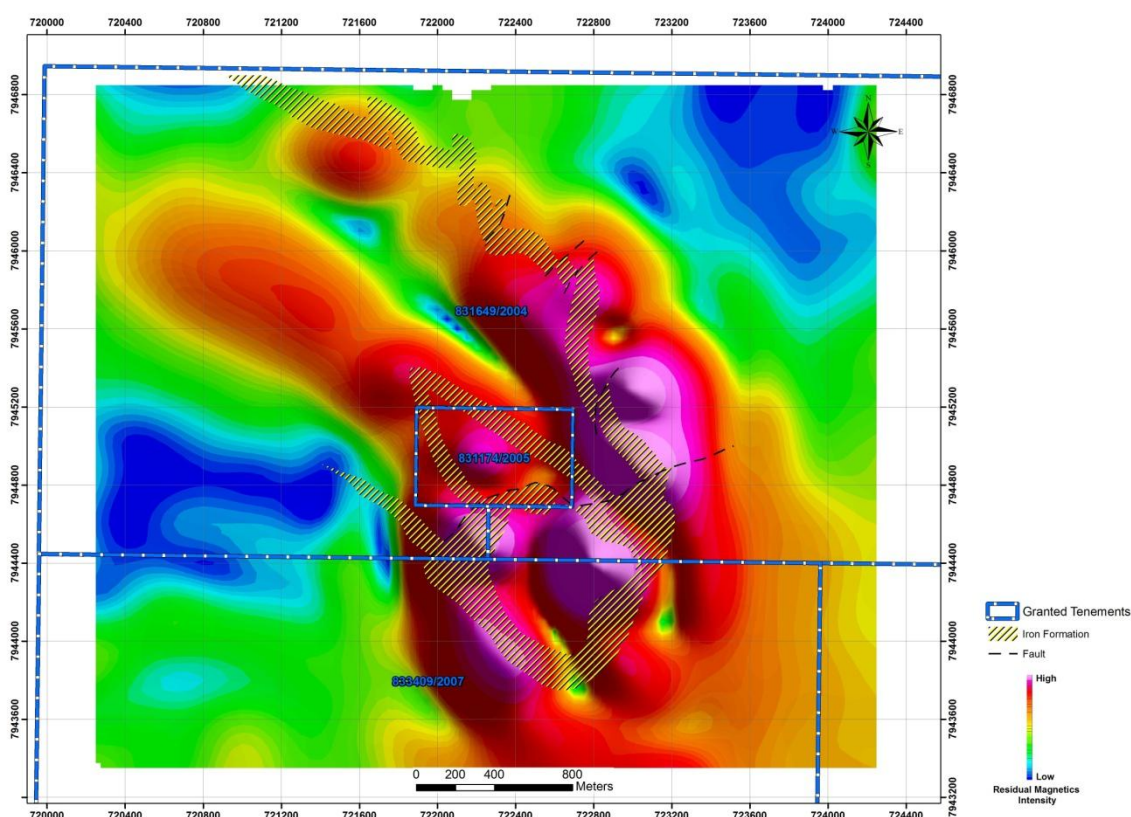


Figure 1 – Jambreiro Project Ground Magnetic Plan Showing Mapped Iron Formation

The initial field work at Jambreiro has mapped itabirite mineralisation over a strike length of about 7km. The mineralisation is situated within the limbs and fold hinges of a complex fold structure. It is approximately 20 to 40 metres thick.

An initial 7-hole diamond drilling program previously completed by Cenibra at Jambreiro intersected friable itabirite mineralisation from surface to a depth of 90 metres vertically below surface. This drill core is being re-logged by Centaurus and sent for sampling to be used in conjunction with the results from Centaurus' current drill campaign.

The Company has commenced a 3,500 metre resource definition drilling program at Jambreiro that will provide sufficient information to complete an initial mining study over the Jambreiro Project. The drilling will comprise both reverse circulation (RC) and diamond drilling methods and is expected to be completed in August 2010.



An Exploration Target¹ for the Jambreiro Iron Ore Project of 40 to 60 million tonnes grading 30-40% Fe has been set. This is based on the dimensions of the mapped iron formation, the size and strength of the ground magnetic signature and logging of the previous drilling and assay results from the previously reported rock chip sampling. Due to the friable nature of the iron mineralisation and the known beneficiation qualities of this regional ore type, it is expected that the in situ ore will cost-effectively beneficiate to a high grade (+63% Fe) product with low deleterious element content.

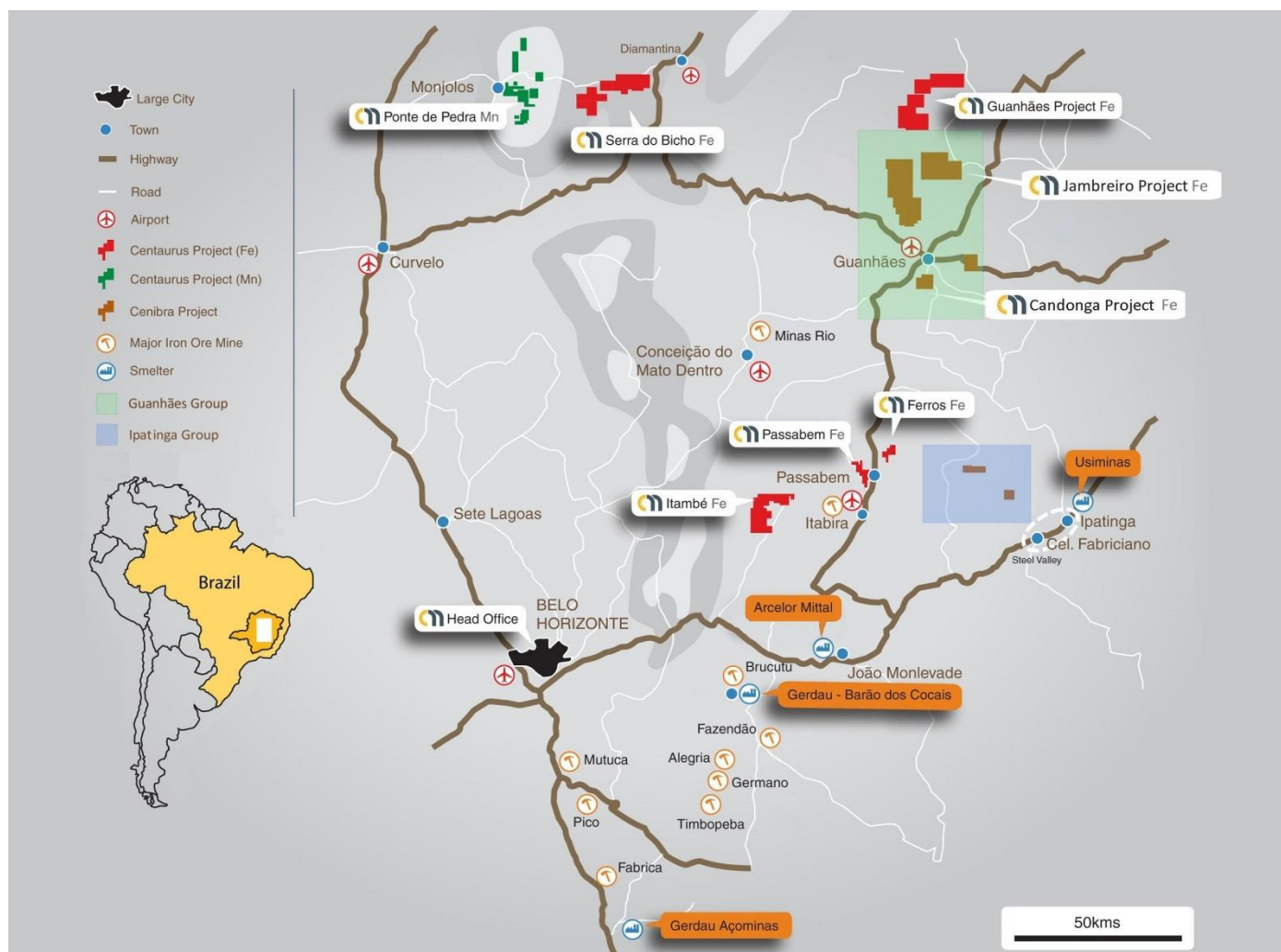


Figure 2 – Location Map of Centaurus Tenements including those acquired under the Cenibra Agreement

OTHER CENIBRA TENEMENTS (CTM 100%)

In conjunction with the exercise of the Jambreiro option, the Company has now completed its extensive field review of the other key iron ore prospects within the Cenibra tenement package.

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 of 30 to 40% Fe 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.



Since the end of the quarter, the Company has exercised its option to acquire a further 16 prospective iron ore tenements, most of which are located immediately west of the recently acquired Jambreiro Project (see Figure 2). Several significant new drilling targets have already been defined away from the Jambreiro Project.

Two of the tenements were selected from the Ipatinga Group, located near the major Brazilian steel-maker Usiminas. A small option fee has now been paid for these tenements in the Ipatinga Group, however no further option fee is payable for the additional tenements selected under the Guanhões Group due to the previous payment made for this group (at the time of the Jambreiro option exercise).

Evaluation programs have been prepared which will include drilling approximately 2,500 metres at the acquired tenements.

PASSABEM IRON ORE PROJECT (CTM 100%)

During the Quarter, Centaurus commenced and completed a 13-hole diamond drilling program designed to extend the current Inferred Resource, which has been defined over a small, 500 metre zone of mineralisation. The latest drilling campaign has intersected itabirite mineralisation over the entire 5km strike length of the mapped iron formation at Passabem, giving Centaurus confidence that the initial Inferred Resource at Passabem of 2.6 Mt @ 31.3% Fe can be significantly extended (see Figure 3).

Importantly, the grades and widths of the intersections are very consistent over the entire strike length of the mineralisation. Assays have now been returned for all drill holes with intersections including:

- 12.0 metres @ 35.1% Fe, 0.67% Al₂O₃ and 0.02% P from 16.5 metres in Hole PSB-DD-0001
- 16.0 metres @ 30.0% Fe, 0.41% Al₂O₃ and 0.05% P from 20.0 metres in Hole PSB-DD-0002
- 17.4 metres @ 30.8% Fe, 0.51% Al₂O₃ and 0.01% P from 26.5 metres in Hole PSB-DD-0003
- 21.6 metres @ 31.3% Fe, 0.33% Al₂O₃ and 0.02% P from 37.3 metres in Hole PSB-DD-0004
- 14.2 metres @ 30.3% Fe, 0.42% Al₂O₃ and 0.07% P from 20.4 metres in Hole PSB-DD-0006
- 23.0 metres @ 31.2% Fe, 0.33% Al₂O₃ and 0.11% P from 62.0 metres in Hole PSB-DD-0010
- 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

Mineralisation at Passabem generally commences at surface, although a number of holes in this campaign were designed to test the depth extent of the iron formation.

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

Once an expanded resource has been established, the Company will undertake a mining study to determine the overall economic parameters of the Passabem Project.

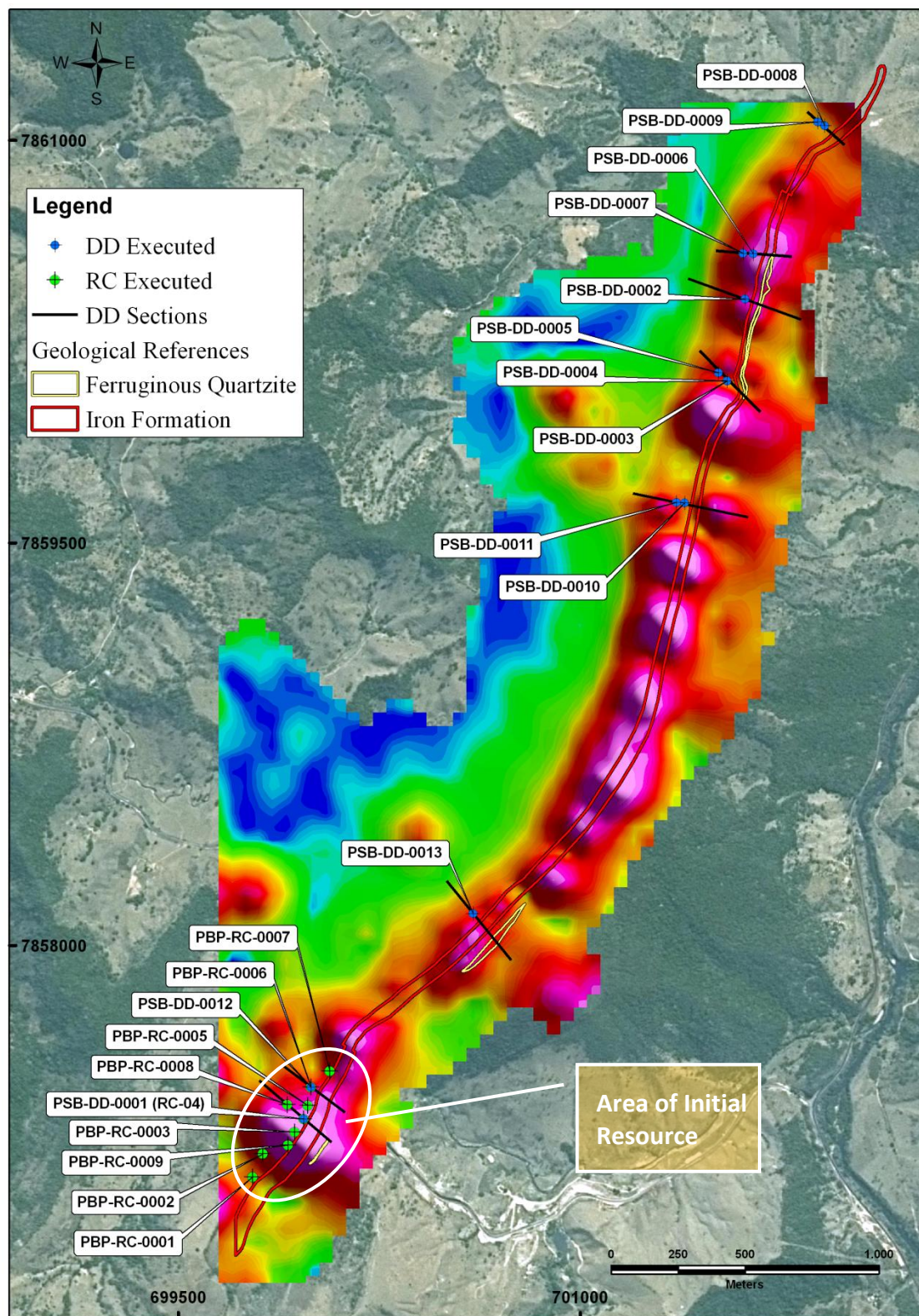


Figure 3 – Diamond Drill Hole Locations at Passabem with Magnetics and Mapped Iron Formation



ITAMBÉ IRON ORE PROJECT (100%)

During the Quarter, the Final Research Report was approved by the Department of Mines. This allows Centaurus to press ahead with obtaining a Mining Licence at Itambé.

Drill pads were cleared at the Project and, subsequent to Quarter end, resource upgrade drilling commenced. The program underway comprises 1,000 metres of diamond drilling in a bid to upgrade the established Inferred Itabirite Resource of 15.5Mt grading 37.2% Fe to a Measured and Indicated status in advance of completion of a Feasibility Study.

RIO PARDO IRON ORE PROJECT (100%)

A ground magnetic survey was completed at Rio Pardo during the period. The survey consisted of 46.5 line kilometres over 31 lines profiles spaced at 100 metres. Magnetic data was collected at 10 metre spacing's along the line (4.5km²). Field follow up will commence shortly.

NON CORE ASSETS

Australia

Subsequent to the end of the Quarter, Centaurus entered into an agreement to divest some of its non-core gold and base metals assets in Australia to Southern Crown Resources Ltd ('Southern Crown'), which is planning an Initial Public Offering (IPO) by 31 October 2010.

The agreement covers the Dish Gold Project in New South Wales and Percyvale Gold Project in Queensland, both of which are to be sold to Southern Crown for 1,250,000 shares in the IPO. This will represent approximately 5% of the post-IPO issued capital of the Company.

In addition, Centaurus Resources will be issued with 2 million performance options, of which 1 million will vest upon the definition of a resource of 250,000 gold equivalent ounces at the Dish and 1 million of which will vest upon the definition of a resource of 250,000 gold equivalent ounces at Percyvale.

It is expected that the Centaurus shareholders will be offered a priority entitlement in the IPO.

Brazil

Negotiations are well advanced for the sale of Centaurus' copper and copper/gold assets in Southern Brazil.

CORPORATE

Having received all necessary approvals, Glengarry Resources Limited changed its name to Centaurus Metals Limited and is trading under the ASX code of CTM.

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Marketing

Following a site visit conducted during June, Hartleys has updated its research note on Centaurus Metals. A full copy of the research is available from the Centaurus web site.

Cash Position

At 30 June 2010, the Company held cash reserves of approximately A\$4.9 million.

Shareholder Information

At 30 June 2010, the Company had 604,398,639 shares on issue with the Top 20 holding 31.4% of the total issued capital. Directors and Senior Management held 14.7% of the total issued capital.

Darren Gordon
MANAGING DIRECTOR

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.