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TSX: FER

CENTURY ANNOUNCE UPDATED DUNCAN LAKE IRON PROJECT 43-101 COMPLIANT RESOURCE ESTIMATE EXCEEDS EXPECTATIONS

Toronto, Ontario August 27th, 2012. Century Iron Mines Corporation (TSX: FER) ("Century ") is pleased to announce the completion of an updated National Instrument 43-101 compliant Resource Estimate for the Duncan Lake Iron Project. Century and Augyva Mining Resources Inc. (TSX-V: AUV) ("Augyva") are joint venture partners on the Duncan Lake Iron Project.

Since the last resource estimate in 2010, Century has drilled an additional 44,007 m of core in 125 drill holes. Century reports that these drill programs were highly successful in increasing total tonnage and improving resource classification.

An updated independent mineral resource estimate by Met-Chem Canada Inc. ("Met-Chem") has defined 1.05 billion tonnes of Measured and Indicated at a grade of 24.4% Fe, compared to a previously reported 31.3 million tonnes at a grade of 23.7% Fe in 2010. Inferred resources are 563 million tonnes at a grade of 24.7% Fe compared to a previously reported 821 million tonnes at a grade of 24.6% Fe.

Duncan Lake Iron Ore Property Mineral Resources at 16% Fe cutoff

Mineral Resource Class	Million Tonnes	Fe %	DTWR %	DT Fe %
Measured	406	23.9	26.8	67.3
Indicated	645	24.7	28.1	66.9
Measured & Indicated	1,050	24.4	26.5	67.0
Inferred	563	24.7	28.0	66.5

(Note 1: DTWR % is the Davis Tube Weight Recovery; DT Fe % is the Davis Tube Fe Concentrate Grade)

(Note 2: Total tonnage may vary due to rounding)

(Note 3: The effective date of the mineral resource estimate is August 24th, 2012)

(Note 4: Resource estimate is based on all six Duncan Lake zones)

Sandy Chim, President and CEO of Century said, "We are extremely pleased with this new resource estimate update for Duncan Lake, which has in excess of one billion tonnes in the Measured & Indicated

categories, representing over 30 times more than the resource estimate of same categories in the last NI43-101 report. There is also a substantial resource tonnage of over half a billion in the Inferred category. The completion of each successive drill program has resulted in this very substantial improvement and increase in the mineral resource estimate, while continuing to confirm consistent grades. This resource estimate update clearly adds solid fundamentals that underline the potential and value of the Duncan Lake project. The new mineral resources will form a sound basis for the Preliminary Economic Assessment (“PEA”) is being prepared by Met-Chem, which is targeting an annual production of 12 million pellet tonnes at better than 67% iron grade and with all other elements within commercial specification. The PEA is targeted for about year end”.

Met-Chem’s Duncan Lake Mineral Resource Technical Report will be filed on Sedar (www.sedar.com) within 45 days.

Qualified Persons

Met-Chem’s Yves-A Buro, Eng. was responsible for validating the database and estimating the mineral resources and has reviewed and approved the contents of this news release. Yves-A Buro is a Qualified Person and independent of Augyva and Century within the meaning of NI 43-101 – Standards of Disclosure for Mineral Projects of the Canadian Securities Administrators.

Resource Estimation Methodology

The samples were analyzed by ALS Canada Ltd. (“ALS”) via lithium borate XRF, and sulphur was determined by Leco furnace. Iron was reported as total ferric iron and calculated as total iron by Century.

The mineral resource estimate for Duncan Lake was based on 9,178 assays collected from 54,467 m of drilling in 177 drill holes. The estimate was also based on a total of 843 Davis Tube samples of which 414 samples were tested at SGS Canada Inc. (“SGS”), 285 at IOS and 144 at Corem. Chemical analysis established that, on average, the iron formation at the Duncan Lake Iron Project contains very low levels of deleterious elements, in particular phosphorus (0.02% P₂O₅), manganese (0.03% MnO) and magnesium (0.23% MgO).

The Davis Tube results indicate a predominance of magnetite with good quality concentrate grades suggesting that this type of iron mineralization should be amenable to a relatively simple magnetic separation based process flow sheet. No significant deleterious issues were identified in the Davis Tube concentrates.

Estimation methodology was based on interpreting vertical cross-sections which were meshed into 3D solids. These resource solids were used to constrain inverse distance squared estimates within 6 separate block models. Solids boundaries were defined by a combination of lithology and Fe grade. Regular 20 m x 10 m x 5 m block sizes were used for each of the block models. Search ellipses reflecting unique dips and strikes to the various fold limbs were used to constrain the interpolation. Assay sample lengths were composited to a nominal 3 m length for grade interpolation. Total head Fe, Davis Tube Weight Recovery, Fe and SiO₂% in Davis Tube concentrates were modelled. A global density factor of 3.2 g/cc for ore was based on 3107 samples and was assigned to the block models.

The 3D interpretations indicate that all six of the iron formation zones are tightly folded, steeply dipping and thickened along a ENE trend. All six zones are spread along a strike length of approximately 30km, are located near surface with minimal overburden cover and extend to the ENE and WSW of HWY 109. The location of these zones are sufficiently concentrated to feed a single process plant and are amenable to open pit mining methods.

Mineral resources were classified based on search ellipse ranges and minimum number of informing composites. A measured resource classification was assigned to blocks interpolated by a minimum of 12 composites and maximum search ellipse range of 300 m along the major axis, 150 m along the semi-major axis and 20 m along the minor axis. Indicated was assigned to blocks interpolated by a minimum of 6 composites and maximum search ellipse range of 300 m along the major axis, 150 m along the semi-major axis and 20 m along the minor axis. Inferred was assigned to blocks interpolated by a minimum of 3 composites and maximum search ellipse range of 450 m along the major axis, 225 m along the semi-major axis and 30 m along the minor axis.

Mineral resources are reported to a cut-off of 16% Fe and are not constrained to a pit shell.

The estimate of Mineral Resource may be materially affected by environmental, permitting, legal, title, socio-political, marketing, or other relevant issues. However, Met-Chem is not aware of any known environmental, permitting, legal, title, taxation, socio-political, marketing or other issues that would materially affect the mineral resources.

The quantity and grade of reported Inferred mineral resources in this estimate are uncertain in nature and there has been insufficient exploration to define the Inferred mineral resources as Indicated or Measured mineral resources and it is uncertain if further exploration will result in upgrading them to Indicated or Measured mineral resource categories.

The mineral resources are reported in accordance with Canadian Securities Administrators (“CSA”) NI 43-101 and have been classified in accordance with standards as defined by the “Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) CIM Definition Standards – For Mineral Resources and Mineral Reserves.” Mineral resources which are not mineral reserves do not have demonstrated economic viability.

A detailed list of Mineral Resources at a 16% Fe cutoff by Zone is provided below.

Measured Mineral Resources					
Zone	Metric Tonnes	Fe (%)	DTWR (%)	DT SiO2 (%)	DT Fe (%)
1	27,000,000	22.01	23.98	9.34	64.27
2	4,000,000	27.05	33.96	6.96	66.34
3	169,000,000	24.32	26.88	3.39	68.28
4	162,000,000	23.60	26.49	6.20	66.92
5					
6	42,000,000	24.48	28.50	6.21	66.57
Total	406,000,000	23.92	26.78	5.25	67.26

Indicated Mineral Resources

Zone	Metric Tonnes	Fe (%)	DTWR (%)	DT SiO2 (%)	DT Fe (%)
1	89,000,000	23.34	25.26	11.48	62.24
2	31,000,000	27.33	34.81	5.81	67.33
3	324,000,000	25.06	28.35	3.63	68.10
4	141,000,000	24.14	27.17	5.99	66.98
5					
6	60,000,000	25.05	29.56	6.47	66.55
Total	645,000,000	24.73	28.09	5.60	66.87

Total Measured & Indicated Mineral Resources					
Zone	Metric Tonnes	Fe (%)	DTWR (%)	DT SiO2 (%)	DT Fe (%)
1	116,000,000	23.03	24.96	10.98	62.72
2	36,000,000	27.29	34.71	5.95	67.21
3	493,000,000	24.81	27.85	3.54	68.16
4	304,000,000	23.85	26.80	6.10	66.94
5					
6	102,000,000	24.81	29.12	6.37	66.56
Total	1,050,000,000	24.42	26.48	5.46	67.02

Inferred Mineral Resources					
Zone	Metric Tonnes	Fe (%)	DTWR (%)	DT SiO2 (%)	DT Fe (%)
1	139,000,000	22.80	24.42	9.84	63.51
2	63,000,000	26.10	31.33	3.33	68.65
3	202,000,000	25.49	29.16	3.96	67.88
4	75,000,000	23.92	26.88	6.52	66.45
5	51,000,000	25.63	29.34		
6	33,000,000	25.23	29.65	6.68	66.10
Total	563,000,000	24.69	27.97	6.03	66.46

(Note 1: DTWR % is the Davis Tube Weight Recovery; DT Fe % is the Davis Tube Fe Concentrate Grade)
(Note 2: Zone tonnage estimates are rounded to the closest 1 million tonnes. Totals of zone tonnages are from original estimated zone tonnage and as such totals of zone tonnage may vary in table above)

About the Duncan Lake Property

The Duncan Lake Iron Property ("DLIP") is located approximately 570 km north of Matagami, Québec, and can be easily accessed via paved road (Highway 109), connecting Matagami to Radisson. Road distance from Montreal to DLIP is estimated to be 1,350 km. The property is located 50 km south of Radisson and 10 km south of the LG2 regional airport.

The property has recently been expanded to 534 exploration claims covering 25,605 hectares.

The DLIP is subject to a joint venture agreement between Century, which holds a 51% interest, and Agyva, which holds a 49% interest under an option and joint venture agreement dated May 20, 2008.

On November 11, 2010, Century completed its funding of \$6,000,000 to earn an initial 51% interest in the DLIP in accordance with the JV Agreement. Pursuant to the JV Agreement, and after earning the initial 51% interest, Century will have the option to increase its interest in the property to 65% by expending a further \$14 million during the following 4 years thereafter.

For further information:

Bob Leshchyshen, MBA, CFA
Vice-President, Corporate Development & Investor Relations
416-977-3188, Ext. 109
bob.leshchyshen@centuryiron.com

CHF Investor Relations
Robin Cook
Senior Account Manager
416-868-1079 Ext. 228
robin@chfir.com

About the Company

Century Iron Mines Corporation (TSX:FER) is Canada's largest holder of iron ore land claims, with interests in several properties in the Provinces of Quebec and Newfoundland and Labrador. Century's mission is to enhance shareholder value through the development of iron ore projects in Canada and to become a major Canadian iron ore producer. Century has promising iron ore assets and is firmly entrenched in western Quebec and in the prolific iron ore-producing region of the Labrador Trough in eastern Quebec and western Labrador. The Company has two key strategic partners in WISCO International Resources Development & Investment Limited and Minmetals Exploration & Development (Luxembourg) Limited S.à.r.l., both state-owned Chinese companies with the financial and technical resources to assist the Company with funding and technical expertise for the exploration and development of its iron ore projects.

The Company has interests in the following mineral exploration projects located in Quebec and Newfoundland and Labrador:

- The Duncan Lake Project of which the Company currently has a 51% interest with an option to increase to a 65% interest under an option and joint venture agreement with Augyva Mining Resources Inc.;
- The Attikamagen Project of which the Company currently has an option to acquire up to a 60% interest under an option and joint venture agreement with Champion Minerals Inc. (TSX:CHM);
- The Sunny Lake Project (100% owned by Century Iron) and;
- The Astray, Grenville, Menihék and Schefferville projects recently acquired from Altius Minerals Corp. (TSX:ALS) (100% owned by Century Iron).

The Company's objective is to enhance shareholder value through the development of iron ore projects in Canada and to become a Canadian iron ore producer. Century Iron's website is: www.centuryiron.com.

Forward Looking Information

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the expected completion of the current drilling phase at DuncanLake and the Company's objective to enhance shareholder value through the development of iron ore projects in Canada and to become a major Canadian iron ore producer. The forward-looking information is based on certain assumptions, which could change materially in the future, including the assumption that the Company is able to complete the current phase III an extension to the Phase II drilling program and that the development of the Company's iron ore projects will enhance shareholder value and be sufficient for it to become a major Canadian iron ore producer. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the risk that the current phase III an extension to the Phase II drilling program at Duncan Lake may be delayed or may not be completed and that the Company's Canadian iron ore projects may not succeed in enhancing shareholder value or allow the Company to become a major Canadian iron ore producer. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to above will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS.