

3 September 2015

## Centaurus Announces Board Change and Further Cost Reductions as it Repositions for the Future

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### Key Points

- **Board and management changes implemented including the promotion of experienced mining executive Bruno Scarpelli as Brazil Country Manager and Executive Director.**
  - **Non-Executive Director, Mr Peter Freund, retires from the Board.**
  - **Additional cost savings implemented across the business including further reductions in executive and Board remuneration and overall staff levels in Australia and Brazil.**
  - **Documentation for the sale of the Candonga Project progressing.**
  - **Assessment of new projects and corporate opportunities progressing on several fronts.**
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Centaurus Metals (ASX Code: **CTM**) is pleased to announce the following Board, management and corporate changes as part of its ongoing efforts to reduce costs, streamline its management structure and reposition for future growth.

The Company has promoted one of its key Brazilian-based executives, experienced Brazilian mining executive **Mr Bruno Scarpelli**, to the position of Brazil Country Manager and to the Board as an Executive Director of the Company.

Mr Scarpelli has been a key member of the Centaurus team for the last four years, initially managing all of the Company's environmental approvals and, more recently, in the role of General Manager – Commercial and Administration. Prior to joining Centaurus, Mr Scarpelli held senior positions within Vale and international consultancy firms.

As the Company's team has reduced in size over the last 12 months, Mr Scarpelli has taken on significantly greater responsibility within the overall business. His promotion to the Board as Executive Director recognises the importance of the Country Manager role within the business and ensures that the Company retains a strong in-country presence as it continues the process of divesting its iron ore assets and begins the process of identifying new assets in other commodity sectors.

Mr Scarpelli's broad-based management skills make him ideally qualified to manage the Company's overall Brazilian operations, supervise all staff in-country and extract maximum value from its existing Brazilian assets.

His appointment to the Board will ensure a strong strategic alignment between the Company's Brazilian activities and its longer term corporate objectives as it diversifies into other commodities and, potentially, other jurisdictions.

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Mr Scarpelli will be strongly supported in Brazil by Mr Roger Fitzhardinge, who heads up all of the Company's exploration and project-based activities. Mr Fitzhardinge has also been a key member of the Centaurus senior management team for over four years now and has become one of the Company's largest shareholders.

With over nine years of Brazilian operating experience and with a strong understanding of the future direction of the Company, Mr Fitzhardinge has all of the requisite skills and experience to oversee all of the technical aspects of the Company's business, both in Brazil and potentially in other jurisdictions.

Concurrent with Mr Scarpelli's appointment to the Board, long-serving non-executive Director, Mr Peter Freund, has retired as a non-executive Director. Mr Freund was instrumental in building up the value of the Company's iron ore asset base in Brazil while he was an Executive Director of the Company and more recently has been a valuable contributor as a non-executive Director on the Board.

Centaurus would like to take this opportunity to acknowledge Mr Freund's exceptional contribution to the Company over a long period of time and to wish him well for the future.

In addition to these changes at Board level, the Company has been continuing to reduce its cost structure in light of prevailing market conditions. In this regard, the key executives of the business, including the Managing Director, have agreed to reduce their remuneration levels by a further 17%.

In addition, the Managing Director will seek shareholder approval to have up to an additional 16% of his reduced remuneration level paid in equity progressively over a period of 12 months in order to minimise the Company's cash outflow over this period. A shareholders' meeting is scheduled to be held on or around 8 October, at which this resolution will be put to shareholders.

At a Board level, both the Chairman and the remaining non-executive Director have agreed to reduce their Directors' fees by a further 25%. Following this reduction the Chairman's fee will be \$45,000 per annum and the non-executive Director fee will be \$30,000 per annum.

Staff numbers have also been reduced, both in Australia and Brazil over the last few months, delivering a significant reduction in labour costs for the Company. Further, strong support for cost reductions has been received from a number of long-term suppliers of the Company under revised contractor engagements.

## **Candongga Sale Process**

While implementing these reductions to the Company's cost structure, the Company has also been working to finalise the documentation in respect to the divestment of the Candonga DSO Project to Ecosinter.

Ecosinter has successfully completed its due diligence process and is actively working with the Company to complete the transaction as soon as possible.

Concurrent with the divestment documentation process, the Company has executed an Assignment Agreement with Ecosinter for them to take on the Company's existing office lease in Guanhões, effective from the beginning of September 2015.

## **New Project Opportunities**

The Company has been active in reviewing a number of new opportunities both at a project and corporate level, predominantly in Brazil but also in other jurisdictions, as it looks to extract value from its existing iron ore assets in Brazil and reposition itself for future growth.

The review process is continuing but a number of attractive opportunities have already been identified and are currently being assessed.

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The Company's team and strong knowledge of the Brazil operating environment provides the Company with a strategic advantage when it comes to looking for quality project opportunities in Brazil.

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