Good morning Ladies and Gentlemen and welcome to Centaurus’ 2014 Annual General Meeting.

Against the backdrop of what continue to be volatile and challenging times for the iron ore sector, I’m pleased to say that Centaurus has steadily advanced its key iron ore assets in south-eastern Brazil in a prudent, cost effective and diligent manner. Our overarching corporate objective is to make the all-important transition from explorer to producer as soon as possible, and to build a diversified and sustainable production base.

While our main focus has been to progress our flagship Jambreiro Project towards financing and construction, we have also advanced other assets within our portfolio with the potential to generate near-term value for our shareholders.

At Jambreiro, a key achievement was the completion of the approvals process, reflecting a massive effort by our Brazilian development team. Centaurus now has all the necessary permits in place to commence on-site construction, as well as Mining Leases required to start production. The project is fully permitted and ready to go.

The Board made the important decision during the year to implement a revised development approach at Jambreiro, based on a staged ramp-up of production. This substantially reduces the amount of pre-production capital required, enabling us to continue pursuing the necessary development funding with less financing risk. We believe this was a prudent step given the current global economic environment – giving us greater project optionality and flexibility.

We have continued to make positive progress, both towards securing a long-term off-take agreement for the Project and, in parallel with these all-important discussions, finalising a suitable debt and equity funding package. That said, it is abundantly clear that the negative sentiment currently being experienced in the iron ore sector is restricting the ability of companies generally to persuade end-users to commit to new supply and financiers to commit funds to new developments.

Having made significant progress during the course of the year towards securing long-term off-take for the Jambreiro Project, this process slowed in the fourth quarter of 2013 as a result of external factors beyond the Company’s control. Specifically for Centaurus, the finalisation of a long-term off-take arrangement to support the funding of the Jambreiro development has been awaiting the re-commencement of construction and the finalisation of the development of the Sudeste port in the south-eastern region of Brazil.

This new port is an important asset for many resource-focused groups in the region and, specifically for our situation, provides an opportunity for potential off-takers to optimise their operations and incorporate an off-take arrangement for Jambreiro ore into their overall integrated operations.

The port construction work has now re-commenced during late in March Quarter of 2014, with commissioning of the new port expected later this year. Accordingly, off-take discussions remain active and we continue to be confident of securing a long-term off-take agreement in due course to facilitate the funding requirements for the development of Jambreiro.
Away from the Jambreiro Project and as a result of the Company’s strong focus on establishing multiple production streams in Brazil, the Company has been able to work up its Candonga Project which is only 33 kilometres from Jambreiro. A small, but high grade DSO resource was estimated during the year which offers the potential to supply a high-grade lump and coarse sinter product into the Brazilian domestic market to meet the high levels of demand, and the current undersupply, for these product types.

Subject to the requisite approvals being secured in the expected timeframe, we believe that Candonga offers the potential for production within 9-12 months at a very low capital cost due to the processing route being a simple dry crushing and screening facility that is extensively available in Brazil.

We are strongly of the view that the high grade DSO lump and coarse sinter material at Candonga – which is in very scarce supply and still attracts premium prices in the domestic market – should be able to provide shareholders with the ability to benefit from a positive cash flow stream while the development activities at Jambreiro are finalised.

A new diamond drilling program commenced at Candonga this week targeting the high-grade mineralisation identified in previous drilling and trenching work. The Company has also commenced the simple approvals process required to develop a low-cost 300,000tpa DSO operation.

Beyond Jambreiro and Candonga, exploration within our broader project portfolio has yielded positive results during the year, with the Company delivering maiden JORC Mineral Resource estimates for the Canavial Project.

The current resource base in south-eastern Brazil provides the Company with a strong foundation for future growth and a strong pipeline of future development opportunities leveraging off our initial production hub at Jambreiro-Candonga.

In conclusion, I would like to express my sincere thanks to our Managing Director, Darren Gordon, and his hard-working team, both here in Australia and Brazil, for their significant efforts during the year.

The Company continues to be strongly supported by its existing shareholders, underpinned by its cornerstone investors Atlas Iron and Liberty Metals & Mining – both of whom underpinned the recently completed $5.5 million capital raising. I would like to thank them, and our other shareholders, for their continued strong support during these difficult times for the junior resource sector.

While the underlying market environment remains challenging, I am confident that Centaurus still has the right mix of quality assets, a robust and flexible development plan and an extremely hard working and talented team to deliver strong growth for our shareholders into the future.

Thank you.

Didier Murcia
Non-executive Chairman