Good morning Ladies and Gentlemen and welcome to Centaurus’ 2015 Annual General Meeting.

Against the backdrop of what has been a very difficult 12 months for the iron ore sector, Centaurus has remained focused on advancing and extracting value from our key iron ore assets in Brazil.

Given its low capital cost and extremely low operating cost structure, the Candonga DSO Project represents an attractive development opportunity with the potential to realise a near-term cash-flow stream which would be invaluable to the Company in the current economic climate.

Accordingly, we have focused most of our efforts during the past year on advancing Candonga to a development-ready status, completing a positive Feasibility Study in September last year and progressing permitting to the final stages. A subsequent review of project parameters was undertaken earlier this year in light of the further recent sharp falls in the iron ore price; this has reaffirmed our confidence in the robust fundamentals of this project.

That said, the extremely negative global market sentiment towards the iron ore sector has made it very difficult to finance the development of any new production capacity anywhere in the world, even for low CAPEX and niche market projects like Candonga.

In light of this, the Board has concluded that a standalone development of Candonga is not presently a viable proposition for our shareholders and moved swiftly to commence a process to realise value through either an outright sale or a joint development agreement. Our Managing Director, Darren Gordon, has been in Brazil for the past six weeks to oversee this process – which is why he could not be with us here today.

I am pleased to report that this has been proceeding well and we have received significant interest from a number of parties. The attractive economic fundamentals of Candonga, together with its high grade, excellent quality product and proximity to market, make the asset highly desirable to local Brazilian groups who have an understanding of the strong domestic market for high grade, low impurity ore.

It is pleasing to see that there is scope to establish innovative partnerships with Brazilian contracting groups in a way that would enable Candonga to be developed in the short term without the need for a major debt or equity funding event at the project level.

We will be working hard to progress our discussions in this regard while at the same time pursuing opportunities with other groups for a joint venture or outright sale of both of the Candonga Project and our other key Brazilian asset, the much larger Jambreiro Project – which is a shovel-ready, high-quality development asset.

In light of the subdued medium and long-term outlook for the iron ore sector, the Company has announced its intention to seek opportunities to diversify its asset base in Brazil outside of the bulk commodities sector. While we remain absolutely committed to extracting value from our iron ore assets, we also recognise the need to create new value for shareholders by investing in other commodities and assets.
We have an extensive and highly prospective tenement position in Brazil, which includes a number of areas that are prospective for other commodities. This includes some exciting gold prospects which we have recently been advancing through low-cost exploration methodologies. The Company is also aware of a number of external project opportunities in the State of Minas Gerais which could provide diversification and growth outside of iron ore.

Centaurus remains attracted to the opportunities in Brazil due to country’s significant mineral endowment, the Company’s existing tenement holding and its highly skilled in-country team, which has experience in a range of other commodity areas including gold, copper, zinc and nickel.

In line with our decision to reposition the Company, Centaurus implemented a number of significant cost reduction measures over the latter stages of 2014 and early 2015 to minimise our corporate and administrative overheads.

This has included a significant reduction in our staff numbers both in Australia and Brazil, a reduction in the number of Directors on the Board, a reduction in fees paid to all directors, a salary restructure for key management personnel who have agreed to receive some salary in the form of Centaurus shares and a significant reduction in office costs both in Australia and Brazil.

The cost-cutting exercise has unfortunately resulted in a number of very good people being made redundant over the last 12 months. I would like to take this opportunity to acknowledge the efforts of these former employees who made an outstanding contribution to the Company over a number of years.

For the current team, I would like to thank them for their exceptional commitment to the Company’s interests and for their ongoing hard work in what have been very difficult market conditions.

Finally, I would like to thank our shareholders for their ongoing support in these difficult times. It is this support which has enabled us to negotiate the significant challenges of the past few months and which will allow us to rebuild the Company and create new value-adding opportunities.

We are working hard to achieve value-creating outcomes for all of our stakeholders and we look forward to keeping you informed of our progress over the coming weeks and months.

Didier Murcia
Non-executive Chairman