CHAIRMAN’S ADDRESS: 2016 ANNUAL GENERAL MEETING

Good morning Ladies and Gentlemen and welcome to Centaurus’ 2016 Annual General Meeting.

As a result of the work undertaken over the past 12 months, the Company has emerged with some exciting new growth opportunities in front of it; a strong new Strategic Alliance partner and major shareholder; and a clear strategy to add value by pursuing projects that are well within our financial and technical capability.

While the iron ore sector has staged something of a recovery this year, the Board believes that our strategy to divest our Brazilian iron ore assets and change our focus towards commodities with more attractive long-term supply and demand fundamentals has been the right decision for the Company moving forward.

The successful divestment of the Candonga DSO Project to a private Brazilian group for R$4 million (~A$1.6 million) in an extremely tough market environment was a considerable achievement – which clearly demonstrated both the quality of our assets and our ability to realise value from our iron ore portfolio. It also generated valuable income which allowed the Company to survive the worst part of the downturn in the junior resources market.

Discussions are continuing with several parties regarding the possible sale of our much larger Jambreiro and Conquista Projects, and we remain confident of achieving an outcome which will ultimately be positive for shareholders.

In keeping with our diversification strategy, a key highlight of the year was the formation of a multi-faceted Strategic Alliance with the private Brazilian exploration company Terrativa Minerais SA.

Terrativa is one of Brazil’s pre-eminent private exploration groups, having amassed an extensive tenement position comprising some 200 tenements in the country over the last 10 years. It has an excellent reputation and strong technical capability. The relationship with Terrativa has been extremely positive for Centaurus, allowing us effectively to fast-track our diversification strategy by gaining access to new project opportunities that would not otherwise have become available to us.

A key example of this was the acquisition of the Aurora Copper Project, located in the north-eastern region of Brazil in the State of Ceará, approximately 350km south of the State capital Fortaleza. This project has outstanding access to infrastructure and some strong copper targets that require follow up exploration. Exploration work commenced at Aurora in December 2015, with the initial work focused on integrating historical geological and geophysical data.

From a strategic perspective, however, the most important aspect of the strategic alliance with Terrativa was the completion of the acquisition of the highly prospective Momboka Project through a positive renegotiation of the original option terms we held with Terrativa over the Project, enabling us to move ahead immediately with exploration activities. Momboka is an exciting exploration target with the potential for high-grade gold mineralisation in the State of Minas Gerais, Brazil.
As a result of the work undertaken since late last year, it has rapidly emerged as our lead exploration project and priority focus in Brazil. Encouraging initial results from soil, rock chip and stream sediment sampling, combined with ground magnetics allowed us to delineate what we believe to be a regionally significant gold exploration target. The extensive magnetic anomaly covers an area of 4.8km by 3.5km, which is of similar magnitude to that covering the world-class Itabira iron ore complex, located just 20km away.

More recent IP geophysical work has only enhanced the attractiveness of the Project through the identification of extremely high chargeability zones both within the area we have defined as the Initial Target Zone but also some 1.5km east of this Zone. The coincidence of these extensive high chargeability zones with strong magnetic lows, within broader magnetic high features, is considered to be a very favourable indicator for the presence of sulphide-hosted gold mineralisation.

In fact, some of the geophysicists and geologists who have independently reviewed the data from this project rate it as one of the more exciting recent greenfields gold exploration opportunities they have seen in Brazil. Given its potential to deliver a company-changing gold discovery, we have activated further ground-based exploration work to enhance and define drill targets with a view to drill-testing the Mombuca Project during the second half of this year.

The current focus on the Mombuca Gold Project is supported by the favourable investment environment for gold companies and gold projects generally, particularly given the current Real denominated gold price is close to all-time highs. We are eagerly looking forward to drilling the Mombuca Project targets and will keep you informed of our progress as we advance this work.

I am also pleased to inform you that Centaurus is actively working on a number of other exciting new project opportunities in conjunction with Terrativa, including in commodity opportunities outside of Brazil. I look forward to being able to update you on these opportunities as they take shape.

In conclusion, I believe that Centaurus has emerged from the resources downturn in a relatively strong position – with its extensive Brazilian asset base still intact, a strong and supportive alliance partner and major shareholder and the ability to benefit from the general improvement we are beginning to see in market conditions in the junior mining sector.

Thanks to the dedicated leadership and ongoing commitment of our Managing Director Darren Gordon and his team, we have been able to rejuvenate and reposition the Company while still working to unlock the value of our extensive resource asset base in Brazil.

Our relationship with Terrativa has delivered us some exciting new exploration opportunities – most notably at the Mombuca and Aurora Projects – and we are gearing up for a new phase of activity, initially at Mombuca, in the second half of the year.

Finally, thanks to the support of our key shareholders, the sale of the Candonga Project and a relentless cost-cutting exercise across the Company we have been able to continue to fund our activities and preserve our capital base – ensuring that shareholders retain significant leverage to any value uplift that we can deliver.

On that note, I would like to conclude by sincerely thanking our shareholders for their ongoing support and to assure you that we are working hard to repay your loyalty by delivering some positive outcomes over the coming months.

Thank you.

Didier Murcia
Non-executive Chairman