

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



31 May 2019

CHAIRMAN'S ADDRESS – 2019 ANNUAL GENERAL MEETING

Good morning Ladies and Gentlemen and welcome to Centaurus' 2019 Annual General Meeting.

I am pleased to say that the past year, despite being another challenging one for the junior resource sector generally, has seen a number of positive developments and new opportunities emerge for Centaurus which – thanks to the depth and quality of our asset base in Brazil – means the Company is well-placed to crystallise significant value for shareholders in the months ahead.

Let me deal first with our projects in the world-class Carajás Mineral Province in Northern Brazil.

A key highlight of the year was the landmark joint venture we secured at our Itapitanga Nickel-Cobalt Project – effectively giving us free-carried exposure to an exciting, large-scale battery metals project. Our partner, the leading Australian-based battery metals process company the Simulus Group, has the right to earn up to an 80% interest in this exciting nickel-cobalt discovery in stages, by free-carrying Centaurus through the entire exploration, resource evaluation and feasibility process to a Decision to Mine, and arranging project finance.

Simulus are industry leaders in process development for battery-grade nickel and cobalt sulphates, and operate Australia's largest High-Pressure Acid Leach testing facility and battery-grade metal sulphate demonstration plant at their laboratory in Perth. They have vast experience in process design for nickel-cobalt projects, and are currently well advanced with a Scoping Study for Itapitanga. This Study is targeted for delivery by the end of June, with the aim of progressing towards a Definitive Feasibility next year and hopefully a Decision to Mine shortly thereafter.

This innovative joint venture agreement is a genuine game-changer for Itapitanga, demonstrating the quality of the asset and completely de-risking Centaurus' exposure throughout the exploration and evaluation phases. We believe this partnership gives us the best possible chance of delivering a highly profitable project in the shortest possible timeframe, in order to take advantage of the favourable market outlook for nickel and cobalt.

Also in the Carajás, we are continuing to make good progress with permitting for the Salobo West Copper-Gold Project, located just 12km along strike from Vale's giant Salobo Copper-Gold Mine, with the drilling and clearing licence expected to be issued during the September Quarter.

Field work conducted at Salobo West over the course of the year has increased the number of high quality copper-gold prospects to five – SW1-B, SW1-A, Gov, Dom and Serendipidade – with the first four of these displaying similar geological, geochemical and geophysical characteristics to the Salobo mine.

Planning has been completed for a maiden 35-hole drill program at Salobo West, which we plan to commence as soon as the required permits are in place and a decision is made as to whether we partner on the initial phases of exploration or not.

Given Salobo West's location in the heart of the Carajás – one of the world's premier copper-gold mining districts – we have had a number of proactive approaches from large third party mining groups that have expressed interest in potentially entering into a Joint Venture agreement. These proposals and our overall approach to exploration on the Project are currently under evaluation.

Australian Office

Centaurus Metals Limited
Level 3, 10 Outram St
WEST PERTH WA 6005

Brazilian Office

Centaurus Brasil Mineração Ltda
Avenida Barão Homem de Melo, 4391
Salas 606 e 607 - Estoril
Belo Horizonte - MG - CEP: 30.494.275
BRAZIL

ASX: CTM

ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 6424 8420

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Turning now to our iron ore assets, and more specifically our Jambreiro Iron Ore Project, located in Minas Gerais, in south-eastern Brazil.

Without doubt one of the most significant developments in the resource sector this year has been the dramatic turnaround in fortunes of the global iron ore market. While we must never forget the tragic circumstances which gave rise to this situation – which is a timely reminder of the immense responsibility that all mining companies bear towards the safety and well-being of their employees and the livelihoods of the communities in which they operate – the fact is that the entire supply-demand dynamic in the Brazilian domestic market has changed significantly.

In light of this shift, the Company decided in March that the time was right to revisit our high-quality, development ready Jambreiro Project, with a view to potentially fast-tracking the project towards production. Jambreiro is a permitted and highly advanced development opportunity that represents a valuable strategic asset in the Brazilian domestic iron ore and steel sector, particularly with the premium pricing that now exists in the market for high grade, low-impurity ore.

Following a strategic review of Jambreiro over the last 6-8 weeks, the Company announced on Wednesday that a Pre-Feasibility Study was underway, targeting a 1Mtpa domestic iron operation that would be ideally placed to capitalise on the new opportunities that have emerged in the domestic and international iron ore market over the past six months.

Given the vast amount of detailed technical work that has already been completed on Jambreiro – including a series of highly-positive feasibility studies between 2012 and 2014 – we expect that this updated study will be finalised very rapidly, with the main requirement being simply to update the capital and operating costs.

The design operating parameters and process flowsheet for Jambreiro are not expected to change in any material way, with the exception of updating the Project design for a move away from a tailings dam and instead opting for dry-stack tailings. This was a proactive decision made to allay any ongoing concerns regarding tailings management in Brazil, and is not expected to have any significant impact on the project metrics.

As part of the Pre-Feasibility Study process, the Company will also bring the existing Proven and Probable Ore Reserve up to 2012 standard using 2019 operating costs, underpinned by a new pit optimisation and detailed mine plan. Given the highly conservative assumptions used in the original Ore Reserve estimate, the Company does not expect any material change in the Ore Reserve and still anticipates a mine life in the order of 18 years at the planned 1Mtpa production rate.

We expect that this Pre-Feasibility Study update will be finalised by the end of June, paving the way for Centaurus to crystallise the Jambreiro Project's significant inherent value under current market conditions.

Importantly, should we ultimately decide to proceed with the Jambreiro Project development, it would become the only processing plant in the surrounding region capable of beneficiating itabirite ores. With licensing expected to be increasingly difficult to achieve in Minas Gerais, we believe there is potential for Jambreiro to become a strategic processing hub for other miners in the region who have significant itabirite resources but still require approvals to construct a suitable plant to process them.

This is an exciting emerging opportunity for Centaurus, and we look forward to keeping you updated on our progress at Jambreiro over the coming months.

On the corporate front, in March we were very pleased to welcome Chris Banasik to the Centaurus Board as a non-executive Director. Chris was a founding Director of gold producer Silver Lake Resources and has also held senior roles with Consolidated Minerals, Reliance Nickel and Western Mining Corporation. He has strong experience in progressing mining projects from exploration, through feasibility and into production – which will be invaluable to Centaurus as we progress our Brazilian asset portfolio.

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Unfortunately, Chris is unable to attend today's meeting due to a commitment overseas which was in place before he joined the Board.

Chris joined the Board to replace Steve Parsons, who stepped down due to growing work commitments, and I would like to acknowledge Steve's strong contribution to the Board and thank him for his input over the past two years.

I would also like to pay tribute to our management team and staff, led by our Managing Director, Darren Gordon, who have worked tirelessly throughout the year to progress our growth strategy. Thanks to their hard work, we are set to deliver on a multi-pronged program that offers near-term development opportunities together with exceptional exploration upside.

Last but certainly not least, I would like to sincerely thank all of our shareholders who have continued to support our ongoing activities and growth endeavours in Brazil. I am very excited about the position we are now in, and look forward to sharing the next 12 months with you all.

Thank you.

Didier Murcia
Chairman

Released by:
Nicholas Read
Read Corporate
M: +61 419 929 046

On behalf of:
Darren Gordon
Managing Director
Centaurus Metals Limited
T: +618 6424 8420