

31 May 2013

CHAIRMAN'S ADDRESS: 2013 ANNUAL GENERAL MEETING

Good afternoon Ladies and Gentlemen and welcome to the 2013 Annual General Meeting of Centaurus Metals.

This is the first AGM to be held under our new calendar year financial reporting regime, which aligns our financial reporting systems with those of our Brazilian subsidiaries and our in-country operating environment.

I am pleased to say that in the six months since the 2012 AGM, Centaurus has made significant progress towards achieving our goal of becoming a low-cost iron ore producer at the Jambreiro Project.

Each milestone has been achieved either on time or ahead of schedule – an outstanding achievement by our development team in Brazil, headed up by our Operations Director, Peter Freund. And, despite the challenging conditions in global equities and commodities markets, we have also made strong progress towards securing both a long-term product off-take agreement and an appropriate funding package.

Earlier this week we announced an updated development schedule for Jambreiro, with a revised target date for commissioning of mid-2014 rather than by the end of 2013 as originally planned.

The changes to our timeline have been driven by positive developments with our ongoing negotiations with potential customers in the domestic steel industry – specifically, the fact that we now have the opportunity to establish a life-of-mine contract for the iron ore concentrates to be produced at Jambreiro.

The Company has already gained wide acceptance of the quality of the iron ore which we will produce; the finalisation of a life-of-mine contract with a strong domestic off-take partner would be a very exciting development, and would give the project an enormous boost.

We intend to utilise the additional time proactively to implement a number of changes to the plant design and execution planning which will ultimately deliver significant benefits.

Engineering work is already underway on several of these elements, including changes to the beneficiation circuit identified during ongoing pilot plant testwork since the Feasibility Study was completed last November. These and other enhancements have revealed significant capital and operating cost savings for the Project.

A Definitive Cost Estimate incorporating all of these enhancements will be delivered in July, when detailed engineering for the project should be over 70 per cent complete.

We remain in regular contact with our preferred international Project financiers on the progress of these off-take negotiations, and this should allow us to move quickly through the financing process once the off-take arrangements are squared away.

Last month, we secured the all-important Installation Licence for Jambreiro, representing the final regulatory milestone required to enable on-site construction to commence. This followed a series of key approvals achieved over the preceding 12 months, culminating in approval for the Project Economic Development Plan and the Installation Licence itself.

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Our team in Brazil has negotiated its way through these regulatory processes with great diligence and efficiency and I commend them for the highly professional manner in which they have managed this aspect of our business.

Our strong relationship with Government in Brazil, and our excellent standing in the communities and State of Minas Gerais, was also reinforced earlier this year when we signed a Memorandum of Understanding with the State Government which will result in the provision of important fiscal concessions and facilitation benefits for the Project.

The State Government has clearly recognised the significant opportunities and benefits that will flow from the Project, including the creation of more than 1,000 direct and indirect jobs during construction, as well as some 500 direct and indirect jobs during steady-state operations.

With the Installation Licence now in place, we have recently commenced initial on-site development work to ensure that project construction can move ahead as expeditiously as possible once a Final Investment Decision is made.

Our Managing Director, Darren Gordon, will shortly provide more detail around these development activities, as well as recent progress with our exploration at two key emerging satellite projects located close to Jambreiro.

In conclusion, I would like to take this opportunity to welcome our new non-executive Director, Mr Steven Zaninovich, who joined the Board in January. Steve is an experienced mining and project management executive whose skills and experience are perfectly suited to our current stage of development.

Steve filled a vacancy created as a result of Keith McKay's decision to retire from the Board at the start of the year. Keith made a very significant contribution to the Company over the past nine years, and I would like to acknowledge his hard work.

On behalf of the Board, I would also like to express my sincere thanks to our Managing Director, Darren Gordon, and his exceptionally hard-working team, both here in Australia and Brazil. I would also like to thank my fellow Directors and to thank you, our shareholders, for your continued support.

As I said last year, Centaurus has outstanding assets, first-rate management and a clear growth path. Nothing has changed in the past six months about any of these key attributes and, with Jambreiro now poised to move into development, I remain extremely optimistic about the future for your Company.

Thank you.

Didier Murcia
Non-executive Chairman

Australian Office
Centaurus Metals Limited
Level 1, 16 Ord Street
WEST PERTH WA 6005

Brazilian Office
Centaurus Brasil Mineração Ltda
Rua Pernambuco, 1.077 - S - Funcionários
Belo Horizonte - MG - CEP: 30.130-150
BRAZIL

ASX: CTM
ACN 009 468 099
office@centaurus.com.au
Telephone: +61 8 9420 4000