

## AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT

30 November 2010

### CHAIRMAN'S ADDRESS – AGM 2010

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Good afternoon ladies and gentlemen and welcome to Centaurus' 2010 Annual General Meeting.

The past year has been a very busy and productive period for Centaurus. At last year's AGM, our Managing Director, Darren Gordon, canvassed the idea of a merger between Glengarry Resources Limited and Centaurus Resources Limited, combining Centaurus' high-quality asset base in Brazil with Glengarry's cash and extensive iron ore expertise. That idea, which was supported by both Companies' boards, followed extensive reviews by Glengarry of a number of projects both in Australia and overseas.

#### **Why Brazil?**

So why did we settle on Brazil? Quite simply, Brazil, like Australia, is well endowed with minerals. It is a country which understands and encourages mining and has all the necessary ingredients to establish a successful mining operation. Home to the world's largest iron ore miner, Vale, Brazil is renowned as having some of the highest quality iron export products in the global market place.

Perhaps not as well-known is the fact that Brazil also has a large and growing domestic steel industry, particularly in the region known as the "Iron Quadrangle" in the State of Minas Gerais – where our portfolio of iron ore projects is located.

As Brazil continues to implement a massive US\$800 billion infrastructure programme over the coming decade, and hosts large one-off events such as the Soccer World Cup in 2014 and the Olympics in 2016, domestic demand for steel is predicted to continue to grow significantly.

#### **Why Centaurus?**

A major criterion of the Company's search for a new project was the requirement for quality assets that could be brought into production within a reasonable period of time. Centaurus stood out in this regard as it had tenements with the potential to do just that – to deliver strong cash flow through domestic sales of iron ore, within a relatively short period of time. In addition to this, Centaurus had already established a strong and dedicated team in Brazil, and developed a reputation for excellence in that country.

Glengarry already had strong iron ore experience on its board and within its management team, so the merger made perfect sense.

Following the merger, we have further strengthened our teams in both Brazil and in Australia, building on our strong track record of integrity and excellence in both countries. Our tenement position in south-eastern Brazil's "Iron Quadrangle" region has also been enhanced during the year, with a number of projects now reaching the final stages of resource development in readiness for feasibility studies and, ultimately, production. Centaurus is already well advanced towards establishing a substantial domestic iron ore business supplying Brazil's growing steel-making industry.

Concurrently, we maintain an active exploration program on our regional projects which should allow us to establish a long-term international iron ore export business capitalising on the high level of international demand for high-quality Brazilian ores.

The first part of this development strategy is to achieve annualised production in Brazil of at least 3 million tonnes per annum of iron ore grading +63% Fe by the end of 2013. The significant progress achieved on our projects over the past year means that we are well on track to achieve this goal.

Following an aggressive exploration program over our lead projects at Jambreiro, Passabem and Itambé, each of these projects is now well placed to be able to contribute strongly towards our domestic production goals and generate strong cash flows for Centaurus. We now have over 130 million tonnes of JORC compliant iron ore resources at these three domestic projects and this resource base should allow us to produce over 50 million tonnes of high-grade hematite. At our targeted production rate of 3Mtpa we will have a mine life of at least 15 years enabling us to generate significant cash flows over a long period.

The second component of the Company's business plan is to develop a resource base capable of producing 12-15Mtpa of 64-69% Fe product for a minimum project life of 10 years, and work is already underway to identify such a project.

Internationally, the rapidly declining availability and quality of high grade 'Direct Shipping Ore' lump has driven steel producers to far greater dependence on prepared feeds, especially sinter. This, together with the worldwide push to reduce carbon footprints, is driving steel producers to demand higher quality raw materials. There is little doubt that the highest grade and lowest silica sinter feed comes from Brazil, which highlights the importance of our strong strategic position in this world-class iron ore region.

To assist us achieve our strategic objectives, we announced a number of important corporate developments subsequent to the end of the financial year.

In September, we announced the appointment of experienced Australian iron ore executive, Mr George Jones, as strategic consultant to the Company. As you would know, George is one of Australia's most accomplished mining executives, with more than 35 years experience in the mining, banking and finance industries. His knowledge and experience – particularly his excellent track record in developing new iron ore companies such as Portman Mining and Gindalbie Metals and his broad contact network in relationships with China – is certain to be of value as we move towards production from our extensive iron ore portfolio in Brazil.

In September, we completed a significant capital raising through a share placement with strong institutional support and a Shareholder Share Purchase Plan. The \$18.2 million raised has placed us in a strong financial position to achieve our stated objectives going forward.

In summary, the year ahead promises to be a very exciting and critical time for Centaurus, setting us up to move rapidly towards production and unlock the value of our high quality iron ore assets in Brazil. We are well funded following the recent capital raising, and several of our projects have been upgraded with new JORC resources ahead of the commencement of Feasibility Studies. We are firmly on track to achieve our objective of becoming a significant iron ore producer in Brazil's "Iron Quadrangle".

I would like to thank my fellow Directors, the senior management team and all staff and employees of Centaurus – who have all worked tirelessly over the past 12 months to achieve our goals. I would also like to thank our shareholders that have supported our vision and strategy.

At the time of the AGM last year, the Company had a share price of 5.2 cents and a market capitalisation of \$14.9 million. As at today, the share price is 10.5 cents and our market capitalisation is just under \$90 million – a great achievement by everyone within our team.

A lot of hard work lies ahead, but with a portfolio of advanced projects moving rapidly towards production, strong cash reserves and an experienced and dedicated team of professionals, we are looking forward to the coming year with great confidence and enthusiasm.



**DIDIER MURCIA**  
Chairman