

**CENTAURUS METALS LIMITED**  
**ACN 009 468 099**  
**NOTICE OF ANNUAL GENERAL MEETING AND**  
**EXPLANATORY MEMORANDUM**

For the Annual General Meeting to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia  
on Monday, 21 November 2011 at 2pm (WST)

*As this is an important document, please read it carefully.*

*If you are unable to attend the Annual General Meeting, please complete  
the proxy form enclosed and return it in accordance with the  
instructions set out on that form.*

**CENTAURUS METALS LIMITED**

**ACN 009 468 099**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of Centaurus Metals Limited ("Centaurus Metals" or the "Company") will be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 21 November 2011 commencing at 2pm (WST) ("Meeting). The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

**AGENDA**

**ORDINARY BUSINESS**

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**Financial report (no resolution required)**

To receive the Financial Report of the Company for the year ended 30 June 2011 together with the Directors' Report in relation to that financial year and the Auditor's Report on the Financial Report.

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**Resolution 1 - Adoption of Remuneration Report**

To consider and, if thought fit, to pass the following non-binding resolution as an **ordinary resolution**:

*"That the Remuneration Report appearing in the Company's Annual Report be adopted by the Shareholders."*

**Voting Prohibition**

A vote on this Resolution must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may cast a vote on this Resolution if:

- (a) the person does so as a proxy appointed by writing that specifies how the proxy is to vote on the Resolution; and
  - (b) the vote is not cast on behalf of a person described in subparagraphs (a) or (b) above.
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**Resolution 2 – Election of Director - Mr Mark Hancock**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Mark Hancock, who was appointed as an additional Director by the Board of Directors, be elected as a Director."*

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**Resolution 3 – Re-election of Director - Mr Didier Murcia**

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That Mr Didier Murcia, who retires by rotation in accordance with Rule 51.1 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."*

## SPECIAL BUSINESS

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### Resolution 4 – Amendment of Constitution

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

*“That the Constitution tabled at the Meeting and signed by the Chairman of the Meeting for the purposes of identification, be approved and adopted as the Constitution of the Company, in place of the current constitution, with effect from the close of the meeting.”*

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The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5pm (WST) on 19 November 2011.

### BY ORDER OF THE BOARD



**Geoff James**  
Company Secretary  
12 October 2011

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**CENTAURUS METALS LIMITED**  
**ACN 009 468 099**  
**EXPLANATORY MEMORANDUM**

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**INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders of Centaurus Metals Limited (“**Centaurus**” or the “**Company**”) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the Celtic Club, 48 Ord Street, West Perth, Western Australia on Monday, 21 November 2011 at 2pm (WST). This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

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**Financial report (no resolution required)**

A printed hard copy of the Annual Report which includes the Financial Report, Directors’ Report and Auditor’s Report for the year ended 30 June 2011, has been sent to all Shareholders who requested it. The Annual Report is available on the Company’s website at [www.centaurus.com.au](http://www.centaurus.com.au).

There is no requirement for Shareholders to approve these reports. However, the Chairman will allow a reasonable opportunity for Shareholders to ask questions or make comments about those reports and the management of the Company.

Shareholders will also be given an opportunity to ask the Auditor or its representatives questions about the conduct of the audit and the preparation and content of the Auditor’s Report.

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**1. RESOLUTION 1 – Adoption of Remuneration Report**

Pursuant to the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Annual Report for the year ended 30 June 2011 contains a Remuneration Report which sets out the remuneration policy for the Company and reports the remuneration arrangements in place for the Directors and other Key Management Personnel. The provisions of the Corporations Act provide that the vote is only an advisory vote of Shareholders. Resolution 1 is advisory only and does not bind the Directors of the Company.

However, the Corporations Act was recently amended such that if a company’s Remuneration Report receives a “no” vote of 25 per cent or more at two consecutive annual general meetings, a resolution must then be put to shareholders at the second annual general meeting as to whether another meeting should be held (within 90 days) at which all directors (other than the managing director) who were in office at the date of approval of the applicable Remuneration Report must stand for re-election. In summary, shareholders will be entitled to vote in favour of holding a general meeting to re-elect the Board if the Remuneration Report receives “2 strikes”.

The Chairman of the Meeting will allow a reasonable opportunity for Shareholders to ask questions about, or make comments on the Remuneration Report.

The Chairman of the Meeting, Directors and other Key Management Personnel and their Closely Related Parties will not cast any votes in respect of Resolution 1 that arise from any undirected proxy that they hold. **Accordingly, if you appoint the Chairman of the Meeting, any other Director or member of Key Management Personnel or any of their Closely Related Parties as your proxy, you must direct your proxy on how to vote on Resolution 1 if you want your Shares to be counted for this Resolution.**

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**2. RESOLUTION 2 – Election of Director - Mr Mark Hancock**

In accordance with Rule 50.2 of the Company's Constitution, a Director appointed either to fill a casual vacancy or as an additional Director holds office only until the conclusion of the next General Meeting of the Company and is eligible for election. Mr Mark Hancock was appointed a Director of the Company as the representative of Atlas Iron Limited on 23 September 2011.

Accordingly, Mr Mark Hancock ceases to be a Director and offers himself for election at the Meeting.

Mr Hancock is the representative of Atlas Iron Limited, a major shareholder with a 19.9% interest in the Company. Mr Hancock is a Chartered Accountant with more than 25 years professional experience, including senior financial roles across a number of leading Australian and international companies including Lend Lease Corporation Ltd, Woodside Petroleum Ltd and Premier Oil plc. Since 2006 he has held senior roles at Atlas Iron Limited, most recently as Chief Commercial Officer. Over that period Atlas has grown from a junior explorer to fast growing producer and member of the ASX 100. In addition Mr Hancock has served as Atlas' representative on the Board of other ASX listed iron ore players, Warwick Resources, Aurox Resources, Giralia Resources and FerrAus Limited.

The Board supports the election of Mr Mark Hancock.

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**3. RESOLUTION 3 – Re-Election of Director – Mr Didier Murcia**

In accordance with ASX Listing Rule 14.4 no Director of the Company may hold office (without re-election) past the longer of 3 years and the third Annual General Meeting following their appointment. Further, in accordance with the Company's Constitution, one third of the Directors must retire by rotation at every Annual General Meeting. These requirements for a Director to retire do not apply to a Managing Director.

Accordingly, Mr Murcia retires and being eligible for re-election, offers himself for re-election at the Meeting.

Mr Murcia has been an independent non-executive director since 16 April 2009 and Chairman since 28 January 2010. He is the chair of the Remuneration Committee and is a member of the Audit Committee. Mr Murcia is a lawyer with over 25 years legal and corporate experience in the mining industry. He is currently Honorary Australian Consul for the United Republic of Tanzania and a director of Gryphon Minerals Limited, Rift Valley Resources Limited and London listed Aminex plc. He is Chairman and founding director of Perth-based legal group Murcia Pestell Hillard. He is a recent past director of Gindalbie Metals Limited and Target Energy Limited.

The Board supports the re-election of Mr Murcia.

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**4. RESOLUTION 4 – Amendment of Constitution**

The Company's Constitution was last amended in 2005. It is proposed that the Company's Constitution be updated to reflect recent regulatory changes and developments in company best practice.

Resolution 4 is a special resolution which requires a majority of at least 75% of votes cast by shareholders entitled to vote on the resolution.

A summary of the key changes proposed by Resolution 4 is set out below.

A copy of the amended Constitution, marked up to show the proposed changes, is available for inspection at the Company's registered office or on the Company's website at [www.centaurus.com.au](http://www.centaurus.com.au). Copies may be obtained by emailing the Company ([info@centaurus.com.au](mailto:info@centaurus.com.au)).

### **(a) Payment of Dividends**

The proposed amendments to the Constitution include changes to broaden the methods by which the Company may make distributions to its shareholders.

Following recent amendments to the Corporations Act, companies are no longer restricted to paying dividends out of profits. The proposed amendment to Regulation 77 will give the Board the flexibility to resolve to pay a dividend out of any source permitted by law.

### **(b) Directors**

Under the current Constitution, the number of directors cannot be more than 15, unless resolved otherwise by shareholders in a general meeting. The proposed amendment to Regulation 48 will give the Board the power to determine the number of directors and to reduce the maximum number of directors permitted on the Board under the Constitution from 15 to 7, to better reflect what is considered to be the optimum maximum size for the Board.

It is proposed to amend Regulation 51 to remove the requirement that one-third of the Directors (not including the Managing Director) retire at each Annual General Meeting to avoid the situation where Directors are regularly required to seek re-election at intervals shorter than 3 years. Directors will still be required to retire every 3 years under the amended provisions and the provisions remain consistent with the requirements under the ASX Listing Rules in that there must be an election each year.

The current Constitution provides that any director appointed by the Board only holds office until the conclusion of the next general meeting. The proposed amendment to Regulation 50 ensures that any director appointed by the Board will hold office until the conclusion of the next annual general meeting.

### **(c) Direct Voting**

Amendments to Regulations 41, 42 and 47 will allow the Directors to determine that shareholders can cast their votes by sending them to the Company before the meeting by physical means (e.g. by post), electronic means (e.g. by fax, email or via a website) or both.

Direct voting is designed to enhance shareholder participation by providing an additional voting method and enabling shareholders to vote on resolutions without needing to attend the meeting or appoint someone else as a proxy. Direct voting is similar in concept to voting by postal vote in an election.

Key aspects of direct voting under the proposed new Regulations are as follows:

- The Board may allow Shareholders to lodge votes directly with the Company in advance of the meeting.
- A direct vote will be counted on a poll (as one vote for each share held) but will not be counted on a show of hands.
- A Shareholder who has lodged a direct vote for a meeting will still be able to attend and vote personally at the meeting. In this case, the Shareholder's direct vote will be revoked and will not be counted.
- A direct vote may be withdrawn by written notice to the Company.

Directors may determine rules and procedures about direct voting including methods of sending votes to the Company and the time by which the Company must receive them.

### **(d) Definitions and Redundant Provisions**

It is proposed that a number of definitions be updated to reflect changes to regulatory bodies and the law and to remove obsolete definitions.

It is also proposed to amend the Constitution to remove provisions that duplicate existing Corporations Act requirements and to remove references to specific legislative provisions.

The Board recommends that Shareholders vote in favour of Resolution 4.

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## GLOSSARY

In this Notice and Explanatory Memorandum:

**Annual General Meeting** or **Meeting** means the meeting convened by the Notice.

**Annual Report** means the Company's annual report for the year ending 30 June 2011.

**Auditor's Report** means the auditor's report contained in the Annual Report.

**ASX** means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited.

**ASX Listing Rules** or **Listing Rules** means the Listing Rules of ASX.

**Board** means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.

**Centaurus** or **Company** means Centaurus Metals Limited ACN 009 468 099.

**Chairman** means the Chairman of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or of the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealings with the Company;
- (e) a company that the member controls; or
- (f) a person prescribed to be a closely related party by the *Corporations Regulations 2001* (Cth).

**Constitution** means the Company's constitution.

**Corporations Act** means the *Corporations Act 2001* (Cth).

**Corporations Regulations** means the *Corporations Regulations 2001* (Cth).

**Director** means a current director of the Company.

**Directors' Report** means the Directors' Report contained in the Annual Report.

**Explanatory Memorandum** means this explanatory memorandum.

**Financial Report** means the Company's financial report contained in the Annual Report.

**Key Management Personnel** has the same meaning as in the accounting standards; and so the term, broadly, includes those persons with the authority and responsibility for planning, directing and controlling the activities of the Company (whether directly or indirectly), and includes any director of the Company.

**Notice** or **Notice of Annual General Meeting** means the notice of meeting which forms part of this Explanatory Memorandum.

**Option** means an option to acquire one Share in the Company.

**Proxy Form** means the enclosed appointment of proxy form.

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**GLOSSARY (continued)**

**Remuneration Report** means the Remuneration Report contained in the Directors' Report.

**Resolutions** means the resolutions set out in the Notice, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a registered holder of a Share.

**WST** means Western Standard Time.



**PROXY FORM**

The Company Secretary  
Centaurus Metals Limited

**By delivery:**  
Level 1, 16 Ord Street  
West Perth WA 6005

**By post:**  
PO Box 975  
West Perth WA 6872

**By facsimile:**  
+61 8 9420 4040

SEQ: 0000000000

I/We being a member/s of Centaurus Metals Limited hereby appoint:

the **Chairman of the Meeting**<sup>1</sup>  
(mark Box)

**OR** if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate (excluding the registered securityholder) you are appointing as your proxy

or failing such appointment, or if no appointment is made, the Chairman of the Meeting, as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held at the Celtic Club, 48 Ord Street West Perth WA 6005 on Monday 21 November 2011 at 2pm (WST), and at any adjournment or postponement of the Meeting.

<sup>1</sup> If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business. The Chairman of the Meeting will vote undirected proxies on, and in favour of, all proposed resolutions, except for Resolution 1 (Adoption of Remuneration Report).

The Chairman of the Meeting, Directors and other Key Management Personnel for the Company and their Closely Related parties will not cast any votes in respect of Resolution 1 that arise from any undirected proxy that they hold.

**INSTRUCTIONS AS TO VOTING ON THE RESOLUTIONS**

The proxy is to vote for or against the Resolution referred to in the Notice as follows:

		<b>For</b>	<b>Against</b>	<b>Abstain*</b>
Resolution 1	Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Election of Director – Mr Mark Hancock	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3	Re-Election of Director – Mr Didier Murcia	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4	Amendment of Constitution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

\* If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in calculating the required majority on a poll.

**Authorised signature/s** This section **must** be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Individual or Shareholder 1

Shareholder 2

Shareholder 3




Sole Director and Sole Company Secretary

Director

Director/Company Secretary

\_\_\_\_\_  
Contact Name

\_\_\_\_\_  
Contact Daytime Telephone

\_\_\_\_\_  
Date

**CENTAURUS METALS LIMITED**  
**ACN 009 468 099**

**Instructions for Completing Proxy Form**

1. **(Appointing a Proxy):** A Shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form which may be obtained from the Company's security registry or you may copy this form and return them both together. Where more than one proxy is appointed, you must specify on each proxy form the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half the votes. A duly appointed proxy need not be a Shareholder of the Company.

If you wish to vote only a portion of your holding, indicate the proportion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

2. **(Direction to Vote):** A Shareholder may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose (subject to certain exceptions). Where more than one box is marked on an item the vote will be invalid on that item.

3. **(Signing Instructions):**

- **(Individual):** Where the holding is in one name, the Shareholder must sign.
- **(Joint Holding):** Where the holding is in more than one name, all of the Shareholders must sign.
- **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.

4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid Proxy Form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) **post to Centaurus Metals Limited, PO Box 975, West Perth, WA 6872; or**
- (b) **deliver to the West Perth office of the Company, Level 1, 16 Ord Street, West Perth; or**
- (c) **facsimile to the Company on facsimile number +61 8 9420 4040**

so that it is received not later than 2pm (WST) on 19 November 2011.

**Proxy forms received later than this time will be invalid.**