

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

In relation to the Annual General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Friday 31 May 2019 at 10am (WST).

As this is an important document, please read it carefully and in its entirety. If you do not understand it please consult your professional advisors.

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 (**Company**) will be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Friday 31 May 2019 commencing at 10am (WST) (**Meeting**). The enclosed Explanatory Memorandum accompanies and forms part of this Notice of Meeting.

Capitalised terms used in this Notice of Meeting and the Explanatory Memorandum are defined in the Glossary to the Explanatory Memorandum.

AGENDA

ORDINARY BUSINESS

FINANCIAL REPORT (no resolution required)

To receive the Financial Report of the Company for the year ended 31 December 2018 together with the Directors' Report in relation to that financial year and the Auditor's Report on the Financial Report.

Note: This item of business is for discussion only and is not a resolution.

1. RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

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

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report appearing in the Company's Annual Report for the year ended 31 December 2018."

Note: Under section 250R(3) of the Corporations Act, the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion: The Company will disregard any votes cast (in any capacity) on this Resolution by or on behalf of any of the following persons:

1. a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
2. a Closely Related Party of such a member.

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

- (a) it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote and the Chair has received express authority to vote undirected proxies as the Chair sees fit, even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRUNO SCARPELLI

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

"That Mr Bruno Scarpelli, a Director who retires by rotation in accordance with rule 51.2 of the Constitution and, being eligible and offering himself for re-election as a Director, is so re-elected."

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR CHRIS BANASIK

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

"That Mr Chris Banasik, who was appointed as an additional Director by the Board of Directors on 28 February 2019 under rule 50.1 of the Constitution and ceases to hold office in accordance with rule 50.2 of the Constitution and, being eligible and offering himself for re-election as a Director, is so re-elected."

4. RESOLUTION 4 - RATIFICATION OF ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1

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

"That, for the purposes of Listing Rules 7.1 and 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 169,501,784 Ordinary Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or an associate of that person (or those persons). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

5. RESOLUTION 5 - RATIFICATION OF ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A

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

"That, for the purposes of Listing Rules 7.1A and 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 230,498,216 Ordinary Shares to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or an associate of that person (or those persons). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

6. RESOLUTION 6 – APPROVAL TO ISSUE PLACEMENT OPTIONS

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 400,000,000 Options to professional and sophisticated investors on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 7 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A DIRECTOR PARTICIPATING IN THE PLACEMENT – MR CHRIS BANASIK

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

"That, for the purpose of Listing Rule 10.11 and for all other purposes, Shareholders approve the issue of 4,000,000 Ordinary Shares at an issue price of \$0.0055 per Share and 4,000,000 Options to a Director of the Company, Mr Chris Banasik (or his nominee), on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Mr Banasik (or his nominee) or an associate of Mr Banasik (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO PINNACLE EQUITIES

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

*"That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue 30,000,000 Options to Pinnacle Equities Pty Ltd (**Pinnacle Equities**) (or its nominee) on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of Pinnacle Equities (or its nominee) or an associate of Pinnacle Equities (or its nominee), or a person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue, except a benefit solely in the capacity of a holder of ordinary securities, if this Resolution is passed and any associates of that person (or those persons). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 9 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

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

"That pursuant to and in accordance with Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of the issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and otherwise on the terms and conditions in the Explanatory Memorandum accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who is expected to participate in, or who will obtain a material benefit as a result of, the proposed issue of Equity Securities under this Resolution, except a benefit solely by reason of being a holder of ordinary securities, if the Resolution is passed and any associates of that person (or those persons). However, the Company will not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

10. RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

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

“That the rules of the Company's Employee Share Option Plan be refreshed such that the rules attached to this Notice at Schedule 3 will form the rules of the Plan from the date of this Meeting and that approval is given for the purpose of Listing Rule 7.2 Exception 9 (and for all other purposes) for the issue of Options under the Plan (as refreshed by this Resolution) as an exception to Listing Rule 7.1 for a period of 3 years from the date of this Meeting.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of a Director (except one who is ineligible to participate in any employee incentive plan in relation to the Company) or any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO MR CHRIS BANASIK

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

That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 7,000,000 Options to Mr Chris Banasik (or his nominee) on the terms and conditions specified in the Explanatory Memorandum accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast in favour of this resolution by or on behalf of Mr Chris Banasik (or his nominee) or an associate of Mr Banasik (or his nominee). However, the Company need not disregard a vote if:

- (a) it is cast by the person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- (b) it is cast by the Chair as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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 29 May 2019.

BY ORDER OF THE BOARD



Paul Bridson
Company Secretary
16 April 2019

CENTAURUS METALS LIMITED

ACN 009 468 099

EXPLANATORY MEMORANDUM

INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders of Centaurus Metals Limited (**Company**) in connection with the business to be conducted at the Annual General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Friday 31 May 2019 commencing at 10am (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting. The purpose of this Explanatory Memorandum is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

A Shareholder-specific Proxy Form has been dispatched with the Notice of Meeting and Explanatory Memorandum.

FINANCIAL REPORT (no resolution required)

The Corporations Act requires the Financial Report, Directors' Report and the Auditor's Report to be received and considered at the Annual General Meeting. A printed hard copy of the annual Financial Report which includes the Financial Report, Directors' Report and Auditor's Report for the year ended 31 December 2018, has been sent to all Shareholders who requested it. The Annual Report is also available on the Company's website at www.centaurus.com.au.

There is no requirement for Shareholders to approve those reports. However, the Chair will allow a reasonable opportunity at the Meeting 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.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The annual Financial Report for the year ended 31 December 2018 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. Pursuant to the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The provisions of the Corporations Act provide that the vote is only an advisory vote of Shareholders and does not bind the Directors or the Company. However, the Board will take the outcome of the vote into consideration when reviewing the remuneration practices and policies of the Company.

Pursuant to the Corporations Act, if the Company's Remuneration Report receives a "no" vote of 25% or more at two consecutive annual general meetings, a resolution must then be put to the Shareholders at the second such annual general meeting (**Spill Resolution**) as to whether another meeting should be held at which all the Directors (other than the Managing Director) who were Directors at the date of approval of the applicable Remuneration Report must stand for re-election. If the Spill Resolution is passed, the Company must convene another general meeting within 90 days of the Spill Resolution. At the Company's previous annual general meeting held on 4 May 2018, the votes cast against the Remuneration Report were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

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

Voting Restrictions

Key Management Personnel and their Closely Related Parties may not cast any votes in respect of Resolution 1 that arise from any proxy that they hold unless the proxy appointment gives a direction on how to vote, or the proxy is given to the Chair and expressly authorises the Chair to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

The Chair will use any such proxies to vote in favour of the Resolution. Therefore, the Company encourages you to carefully read the Proxy Form and direct your proxy on how to vote on Resolution 1.

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BRUNO SCARPELLI

In accordance with rule 51.1 of the Constitution, an election of Directors shall take place each year. Under rule 51.2 of the Constitution, at every annual general meeting, each Director who has retained office for more than three years since their appointment shall retire from office and is eligible for re-election. Under rule 51.5 of the Constitution, if at any annual general meeting no Director is required to retire under the terms of rule 51.2 of the Constitution, then the Director who has been longest in office since their last election shall retire from office, and if more than one has equal tenure then the Director to retire shall in default of agreement between them be determined by lot. These requirements for a Director to retire do not apply to a Managing Director.

Mr Scarpelli retires in accordance with rule 51.5 of the Constitution and, being eligible for re-election, offers himself for re-election as a Director at the Annual General Meeting.

Mr Scarpelli joined the Company in 2010 and is the Country Manager for the Company's operations in Brazil.

Mr Scarpelli has been an Executive Director of the Company since 3 September 2015. Mr Scarpelli is an engineer with over 15 years' experience in the mining sector, specifically in the commercial, environmental approvals and health and safety fields. He is a former environmental manager for Vale's S11D project.

The Board (other than Mr Scarpelli, to whom this Resolution relates) supports and recommends that Shareholders vote in favour of the re-election of Mr Scarpelli.

3. RESOLUTION 3 – ELECTION OF DIRECTOR – MR CHRIS BANASIK

In accordance with rule 50.2 of the Constitution, a Director appointed either to fill a casual vacancy or as an additional Director holds office only until the conclusion of the next annual general meeting of the Company and is eligible for election. Mr Banasik was appointed as a non-executive Director on 28 February 2019.

Mr Banasik retires in accordance with rule 50.2 of the Constitution and, being eligible, offers himself for election as a Director at the Annual General Meeting.

Mr Banasik is a geologist with more than 30 years' experience across multiple disciplines and commodities. He is a well-known and highly-regarded mining and exploration executive. He was a founding Director of the successful WA gold producer Silver Lake Resources (ASX: SLR), where he held the key role of Director of Exploration and Geology from 2007 to 2014 – a period which saw Silver Lake Resources grow to be an ASX-200 company (by 2012), with a market capitalisation of over \$1 billion and employing over 650 personnel.

Prior to that, he held a range of senior geological and executive roles for companies including Consolidated Minerals, Reliance Nickel and Western Mining Corporation.

He has extensive experience in nickel exploration, project development and operations, having held several geological and management positions with WMC (1986-2001). He was also Senior Mine Geologist with Goldfields Mine Management (2001-2004) and Chief Geologist at the Beta Hunt nickel operations (2004-2007).

The Board (other than Mr Banasik, to whom this Resolution relates) supports and recommends that Shareholders vote in favour of the election of Mr Banasik.

4. RESOLUTION 4 - RATIFICATION OF ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1

4.1 Background

On 21 March 2019, the Company announced a capital raising through the issue of a total of 400,000,000 Ordinary Shares (**Placement Shares**) to sophisticated and professional investors at an issue price of \$0.0055 per Placement Share, together with 1 free attaching Option for every Placement Share subscribed for and issued, exercisable at \$0.012 on or before 31 May 2021 (**Placement Options**) to raise a total of \$2,200,000 (before costs) (**Placement**).

The Placement Shares were issued on 26 March 2019 under the Company's Listing Rule 7.1 and 7.1A capacity as follows:

- 169,501,784 Placement Shares were issued under Listing Rule 7.1 and are the subject of Resolution 4; and
- 230,498,216 Placement Shares were issued under Listing Rule 7.1A and are the subject of Resolution 5.

Resolution 6 seeks Shareholder approval for the issue of the Placement Options to parties who participated in the Placement.

Funds raised from the Placement will be used to fund the update of the 2013 Feasibility Study on the Company's Jambreiro Iron Ore Project, advance permitting and future drilling preparations for the Salobo West Copper Gold Project, assess new project opportunities in the Carajas Mineral Province and for general working capital purposes.

4.2 ASX Listing Rule 7.1

Subject to certain exceptions, Listing Rule 7.1 prevents a company in any 12 month period from issuing or agreeing to issue new Equity Securities, or other securities with rights of conversion to Equity Securities (such as an Option), which amount to more than 15% of the Company's ordinary securities on issue, without shareholder approval.

4.3 ASX Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1, provided the issue did not breach Listing Rule 7.1. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1.

The Company confirms the issue of the Placement Shares the subject of Resolution 4 did not breach Listing Rule 7.1.

The Company wishes to ratify the issue of the Shares the subject of Resolution 4 pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 15% of its issued capital under Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolution 4:

- (a) on 26 March 2019 the Company issued 169,501,784 Placement Shares pursuant to Listing Rule 7.1;
- (b) the Placement Shares were issued for \$0.0055 each, raising a total of \$932,260 (before costs);
- (c) the Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the Placement Shares were issued to sophisticated and professional investors (within the meaning of sections 708(8) – (11) of the Corporations Act), none of whom are Related Parties of the Company;
- (e) the Placement Shares were issued to fund the update of the 2013 Feasibility Study on the Company's Jambreiro Iron Ore Project, advance permitting and future drilling preparations for the Salobo West

Copper Gold Project, assess new project opportunities in the Carajas Mineral Province and for general working capital purposes (including to fund the costs of the Placement); and

- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 4.

4.4 Directors' Recommendation

If Resolution 4 is passed, the 15% limit imposed by Listing Rule 7.1 will be renewed to the extent of the ratification. The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

5. RESOLUTION 5 - RATIFICATION OF ISSUE OF PLACEMENT SHARES UNDER LISTING RULE 7.1A

5.1 Background

Resolution 5 seeks Shareholder ratification of the issue of the 230,498,216 Placement Shares which were issued under the Company's Listing Rule 7.1A capacity as set out in Section 4.1 above.

5.2 ASX Listing Rule 7.1A

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution at their annual general meeting, to have the capacity to issue or agree to issue a number of Equity Securities during the subsequent 12 month period which represents 10% of the number of fully paid ordinary securities on issue as at the commencement of that 12 month period as adjusted in accordance with the formula in Listing Rule 7.1.

Approval for the 10% Placement Capacity may only be obtained at the Company's Annual General Meeting. The Company previously received Shareholder approval for the 10% Placement Capacity at the Company's annual general meeting held on 4 May 2018.

5.3 ASX Listing Rule 7.4

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rule 7.1A provided the issue did not breach Listing Rule 7.1A. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to the limit imposed by Listing Rule 7.1A.

The Company confirms the issue of the Placement Shares the subject of Resolution 5 did not breach Listing Rule 7.1A.

Where an eligible entity obtains shareholder approval to increase its placement capacity under Listing Rule 7.1A then any ordinary securities issued under that additional placement capacity:

- (a) will not be counted in variable "A" in the formula in Listing Rule 7.1; and
- (b) are counted in variable "E",

until their issue has been ratified under Listing Rule 7.4 (and provided that the previous issue did not breach Listing Rule 7.1A) or 12 months has passed since their issue.

By ratifying the issue of the Placement Shares the subject of Resolution 5, the base figure (i.e. variable "A") on which the Company's 15% annual placement capacity is calculated will be a higher number which in turn will allow a proportionately higher number of securities to be issued without prior Shareholder approval.

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolution 5:

- (a) on 26 March 2019 the Company issued 230,498,216 Placement Shares pursuant to Listing Rule 7.1A;
- (b) the Placement Shares were issued for \$0.0055 each, raising a total of \$1,267,740 (before costs);
- (c) the Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;

- (d) the Placement Shares were issued to sophisticated and professional investors (within the meaning of sections 708(8) – (11) of the Corporations Act), none of whom are Related Parties of the Company;
- (e) the Placement Shares were issued to fund the update of the 2013 Feasibility Study on the Company's Jambreiro Iron Ore Project, advance permitting and future drilling preparations for the Salobo West Copper Gold Project, assess new project opportunities in the Carajas Mineral Province and for general working capital purposes (including to fund the costs of the Placement); and
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 5.

5.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

6. RESOLUTION 6 – APPROVAL TO ISSUE PLACEMENT OPTIONS

6.1 Background

As discussed in Section 4.1 above, on 26 March 2019 the Company issued 400,000,000 Placement Shares to professional and sophisticated investors pursuant to the Placement. The terms of the Placement included, subject to Shareholder approval, the issue to participating investors of 1 Placement Option for every Placement Share subscribed for and issued.

The issue of the Placement Options is subject to Shareholders approving Resolution 6. If Shareholder approval for the issue of the Placement Options is obtained, the Company intends to take the necessary steps to seek quotation of the Placement Options.

The requirements of Listing Rule 7.1 are set out in Section 4.2 above. If Shareholders approve Resolution 6, the effect will be to allow the Directors to issue 400,000,000 Placement Options to the Placement participants during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without reducing the Company's 15% placement capacity available under Listing Rule 7.1.

6.2 ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of Listing Rule 7.3 in relation to Resolution 6:

- (a) the number of Placement Options to be issued is 400,000,000;
- (b) the Placement Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that issue of the Placement Options will occur on one date as soon as practicable after the Meeting;
- (c) the Placement Options are to be issued by the Company for nil consideration to the Placement participants in accordance with the terms of the Placement;
- (d) the Placement Options will be issued to the Placement participants, none of whom are Related Parties of the Company;
- (e) the Placement Options will be granted on the terms and conditions set out in Schedule 1;
- (f) no funds will be raised from the issue of the Placement Options as they will be issued to the Placement participants in accordance with the terms of the Placement (although funds will be raised to the extent that the Placement Options are ultimately exercised); and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 6.

6.3 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 6.

7. RESOLUTION 7 – APPROVAL TO ISSUE SHARES AND OPTIONS TO A DIRECTOR PARTICIPATING IN THE PLACEMENT – MR CHRIS BANASIK

7.1 General

Resolution 7 seeks Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue to a Director, Mr Chris Banasik, or his nominee:

- (a) 4,000,000 Shares at an issue price of \$0.0055 cents per Share; and
 - (b) 4,000,000 Options exercisable at \$0.012 on or before 31 May 2021,
- on the same terms and conditions as the Placement.

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Resolution 7 relates to the proposed issue of Shares and Options to a Director or his nominee(s), which is a financial benefit that requires Shareholder approval for the purposes of section 208 of the Corporations Act. However, section 210 of the Corporations Act provides that shareholder approval under section 208 is not required if the financial benefit to be provided to the Related Party is on terms that:

- (a) would be reasonable in the circumstances if the company and the Related Party were dealing at arm's length; or
- (b) are less favourable to the Related Party than the terms referred to in (a).

The Directors (excluding Mr Banasik who has a material personal interest in the Resolution) have determined that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of Resolution 7 because the Shares and Options will be issued to Mr Banasik (or his nominee) on the same terms as the Placement Shares and Placement Options issued to non-Related Party participants in the Placement. Accordingly, the Directors (excluding Mr Banasik) have determined that the arm's length exception in section 210 of the Corporations Act applies and therefore Shareholder approval under section 208 is not required for the purposes of Resolution 7.

7.3 ASX Listing Rule 10.11

Listing Rule 10.11 provides that, unless a specified exception applies, an entity must not issue or agree to issue Equity Securities to a Related Party without the prior approval of shareholders. Mr Banasik is a Related Party of the Company by virtue of being a Director. Accordingly, the Company is seeking approval to issue the Shares and Options the subject of Resolution 7 to Mr Banasik.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Shares and Options the subject of Resolution 7, as approval is being sought under Listing Rule 10.11 instead. Accordingly, the issue of the Shares and Options the subject of this Resolution 7 will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

7.4 Technical information required by ASX Listing Rule 10.13

The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolution 7:

- (a) the maximum number of Equity Securities the Company will issue under Resolution 7 is 4,000,000 Shares and 4,000,000 Options, raising a total of \$22,000 (before costs);
- (b) the Company will issue the Shares and Options as soon as practicable, but in any event no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);
- (c) the Shares will be issued at an issue price of \$0.0055 cents per Share. The Options are free attaching Options for which no additional consideration is payable;
- (d) the Shares and Options will be issued to Mr Chris Banasik (a Director) or his nominee, as noted above;
- (e) the Shares to be issued will be fully paid ordinary shares which will rank equally in all respects with the Company's existing Shares. The Options will be granted on the terms and conditions set out in Schedule 1;
- (f) funds raised from the issue of the Shares will be used to fund the update of the 2013 Feasibility Study on the Company's Jambreiro Iron Ore Project, advance permitting and future drilling preparations for the Salobo West Copper Gold Project, assess new project opportunities in the Carajás Mineral Province and for general working capital purposes (including to fund the costs of the Placement);
- (g) no funds will be raised from the issue of the Options as they are free attaching Options (although funds will be raised to the extent that the Options are ultimately exercised); and
- (h) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 7.

7.5 Directors' Recommendation

The Directors (other than Mr Banasik, to whom this Resolution relates) unanimously recommend Shareholders vote in favour of Resolution 7.

8. RESOLUTION 8 – APPROVAL TO ISSUE OPTIONS TO PINNACLE EQUITIES

8.1 Background

The Company appointed Pinnacle Equities to act as Lead Manager to the Placement. The terms of the agreement between the Company and Pinnacle Equities provide for the issue, subject to Shareholder approval, of 30,000,000 Options to Pinnacle Equities (or its nominee) as partial consideration for the services performed in acting as Lead Manager to the Placement.

8.2 ASX Listing Rule 7.1

The requirements of Listing Rule 7.1 are set out in Section 4.2 above.

If Shareholders approve Resolution 8, the effect will be to allow the Company to issue 30,000,000 Options to Pinnacle Equities or its nominee during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without reducing the Company's 15% placement capacity available under Listing Rule 7.1.

8.3 ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of Listing Rule 7.3:

- (a) the number of Options to be issued is 30,000,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that issue of the Options will occur on one date as soon as practicable after the Meeting;

- (c) the Options are to be issued by the Company for nil consideration in part satisfaction of the services performed by Pinnacle Equities in connection with the Placement;
- (d) the Options will be issued to Pinnacle Equities or its nominee, who are not Related Parties of the Company;
- (e) the Options will be granted on the terms and conditions set out in Schedule 1;
- (f) no funds will be raised from the issue of the Options as they will be issued as partial consideration for the services performed by Pinnacle Equities in connection with its role as Lead Manager to the Placement (although funds will be raised to the extent that the Options are ultimately exercised); and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 8.

8.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 8.

9. RESOLUTION 9 – APPROVAL OF ADDITIONAL 10% PLACEMENT FACILITY

9.1 Background

Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12-month period after the annual general meeting (**10% Placement Facility**). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company previously received Shareholder approval for the 10% Placement Facility at the Company's previous annual general meeting held on 4 May 2018 and this approval will expire on 4 May 2019 (or earlier if Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2).

The Company is now seeking fresh Shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2 (refer to Section 9.2 below).

9.2 Requirements of ASX Listing Rule 7.1A

Eligible entities

An eligible entity for the purposes of Listing Rule 7.1A is an entity that is not included in the S&P/ASX 300 Index and has a market capitalisation of \$300 million or less. The Company is an eligible entity at the time of this Notice of Meeting and expects to be so at the date of the Meeting.

Shareholder approval

Shareholders must approve the 10% Placement Facility by special resolution at the Annual General Meeting, which requires the approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative). A resolution under Listing Rule 7.1A cannot be put at any other Shareholder meeting.

Equity Securities

Equity Securities issued under the 10% Placement Facility must be in the same class as an existing class of Equity Securities of the Company that are quoted on the ASX.

As at the date of this Notice, the Company has on issue the following classes of Equity Securities quoted on the ASX:

- **2,704,982,165** Ordinary Shares; and
- **623,049,575** Options, with an exercise price of \$0.01 per Option and expiring on 31 August 2019.

Formula for calculating 10% Placement Facility

If Resolution 9 is passed, the Company may issue or agree to issue, during the 12-month period after this Meeting, the number of Equity Securities calculated in accordance with the following formula:

(A x D) - E

Where:

A = The number of fully paid shares on issue 12 months before the date of issue or agreement:

- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- plus the number of partly paid shares that became fully paid in the 12 months;
- plus the number of fully paid shares issued in the 12 months with the approval of shareholders under Listing Rules 7.1 or 7.4. This does not include an issue of fully paid shares under the Company's 15% placement capacity without shareholder approval;
- less the number of fully paid shares cancelled in the 12 months.

Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D = 10%

E = The number of Equity Securities issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rules 7.1 or 7.4.

Interaction between ASX Listing Rules 7.1 and 7.1A

The 10% Placement Facility under Listing Rule 7.1A is in addition to the Company's 15% placement capacity under Listing Rule 7.1.

The Company has 2,704,982,165 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed (including this Resolution 9), the Company will be permitted to issue (as at the date of this Notice):

- 406,347,324 Equity Securities under Listing Rule 7.1; and
- 270,898,216 Equity Securities under Listing Rule 7.1A.

The actual number of Equity Securities that the Company will be permitted to issue under Listing Rule 7.1A will be calculated at the date of issue or agreement to issue the Equity Securities in accordance with the formula prescribed in Listing Rule 7.1A.2 (as set out above).

The effect of Resolution 9 will be to allow the Company to issue securities under Listing Rule 7.1A without using the Company's placement capacity under Listing Rule 7.1.

9.3 Information for Shareholders as required by ASX Listing Rule 7.3A

ASX Listing Rule 7.3A.1 – Minimum price

The issue price of the new Equity Securities issued under Listing Rule 7.1A must be no lower than 75% of the VWAP of Equity Securities in the relevant quoted class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price of the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

ASX Listing Rule 7.3A.2 – Risk of economic and voting dilution

If Resolution 9 is passed and the Company issues Equity Securities under the 10% Placement Facility, existing Shareholders' voting power in the Company will be diluted as shown in the table below.

There is the risk that:

- the market price for the Company's existing Equity Securities may be significantly lower on the date of issue of the new Equity Securities than on the date of the Meeting; and
- the new Equity Securities may be issued at a price that is at a discount to the market price of the Company's existing Equity Securities on the issue date,

which may have an effect on the amount of funds raised by the issue of the new Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

For the purpose of Listing Rule 7.3A.2, the table also shows:

- two examples, where variable "A" has increased by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example a pro rata entitlement issue) or future placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- two examples, where the issue price of ordinary securities has decreased by 50% and increased by 50% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2		Dilution		
		\$0.003 50% decrease in Issue Price	\$0.006 Current Market/ Issue Price	\$0.012 50% increase in Issue Price
Current Variable A 2,704,982,165 Shares	10% Voting Dilution	270,498,216 Shares	270,498,216 Shares	270,498,216 Shares
	Funds Raised	\$811,494	\$1,622,989	\$3,245,978
50% Increase in Variable A 4,057,473,247 Shares	10% Voting Dilution	405,747,324 Shares	405,747,324 Shares	405,747,324 Shares
	Funds Raised	\$1,217,241	\$2,434,483	\$4,868,967
100% Increase in Variable A 5,409,964,330 Shares	10% Voting Dilution	540,996,433 Shares	540,996,433 Shares	540,996,433 Shares
	Funds Raised	\$1,622,989	\$3,245,978	\$6,491,957

This table has been prepared on the following assumptions:

- The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- No Options (including any Options having previously been issued under the 10% Placement Facility) are exercised into Shares before the date of the issue of the Equity Securities.
- The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.

- The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes Options, it is assumed that those Options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- The issue price is \$0.006, being the latest closing price of the Shares on ASX on 15 April 2019.

ASX Listing Rule 7.3A.3 – Placement Period

The Company previously received Shareholder approval for the 10% Placement Facility at the Annual General Meeting held on 4 May 2018. This approval is valid as at the date of this Notice. The refreshed Shareholder approval sought at this Meeting under Listing Rule 7.1A will be valid from 31 May 2019 and will expire on the earlier of:

- 31 May 2020, which is 12 months after this Meeting; or
- the date that Shareholders approve a transaction under Listing Rule 11.1.2 (significant change to nature or scale of activities) or Listing Rule 11.2 (disposal of the main undertaking),

or such longer period as allowed by ASX.

ASX Listing Rule 7.3A.4 – Purposes for which the new Equity Securities may be issued

The Company may seek to issue new Equity Securities under the 10% Placement Facility for the following purposes:

- cash consideration to raise funds for the acquisition of new assets or investments (including the expenses associated with such acquisitions), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital; or
- non-cash consideration for the acquisition of new assets or investments (including the expenses associated with such acquisitions), continued exploration, feasibility study and project development expenditure on the Company's current assets and/or for general working capital. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

ASX Listing Rule 7.3A.5 – Allocation policy

The Company's allocation policy for the issue of new Equity Securities under the 10% Placement Facility will be dependent on the existing market conditions at the time of the proposed issue. The allottees will be determined at the relevant time having regard to factors such as:

- the methods of raising funds that are available to the Company, including but not limited to, rights issues or other issues in which existing security holders can participate;
- the effect of the issue of new securities on the control of the Company;
- the financial situation and solvency of the Company; and
- advice from corporate, financial and broking advisers (as relevant).

As at the date of this Notice the allottees are not known but may include existing substantial Shareholders and/or new Shareholders. No allottee under the 10% Placement Facility will be a Related Party or associate of a Related Party. Existing Shareholders may or may not be entitled to subscribe for any Equity Securities issued under the 10% Placement Facility, and it is possible that their Shareholding will be diluted.

If the 10% Placement Facility is used to acquire new assets or investments then there is a chance the allottees will be the vendors of the new assets.

The Company will comply with its disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A on the issue of any new securities.

ASX Listing Rule 7.3A.6 – Details of Equity Securities issued during past 12 months

During the 12 months prior to the date of the Annual General Meeting, and assuming no further issue of securities occurs between the date of this Notice and the date of the Annual General Meeting, the Company issued 424,234,319 Ordinary Shares, and 20,000,000 Unlisted Options for a total of 444,234,319 Equity Securities representing 21.30% of the total number of Equity Securities on issue 12 months ago, being at 16 April 2018. The table at Annexure A sets out the details of the Equity Securities which were issued.

All Shares issued under the 10% Placement Facility during the past 12 months complied with the requirement of Listing Rule 7.1A.3 that the issue price of securities must be no less than 75% of the 15 Trading Day VWAP.

9.4 Voting Exclusion Statement

A voting exclusion statement is included in the Notice of Meeting for the purposes of Resolution 9. At the date of this Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in a proposed issue of Equity Securities under the proposed 10% Placement Facility. No existing Shareholders' votes will therefore be excluded under the voting exclusion in the Notice.

9.5 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 9.

10. RESOLUTION 10 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

10.1 Background

The Directors of the Company have resolved to refresh the terms of the Employee Share Option Plan (**Plan**). The purpose of the Plan is to assist in the recruitment, reward, retention and motivation of employees and officers of the Company and encourage ownership of shares in the Company by employees and Directors.

Shareholder approval is sought so that any issue of Options under the Plan can fall within the exception to the calculation of the 15% limit imposed by Listing Rule 7.1 on the number of securities which may be issued without Shareholder approval. Accordingly, Shareholder approval is sought for the purpose of Listing Rule 7.2 Exception 9(b), which provides that Listing Rule 7.1 does not apply to an issue of securities under an employee incentive scheme that has been approved by the holders of ordinary securities.

Under the Listing Rules, such an approval will be valid for a period of 3 years commencing on the date of the Meeting (i.e. issues of Options under the Plan will for a period of 3 years be excluded from the calculations in determining the number of securities the Company can issue without Shareholder approval under the 15% limit in Listing Rule 7.1).

The rules of the Plan are attached at Schedule 3.

10.2 ASX Listing Rule 7.2 – Summary of the Plan

A summary of the main provisions of the Plan are set out below:

- (a) The Board may determine which employees and Directors are entitled to participate in the Plan and the extent of the participation.

- (b) The Board may offer Options to any eligible person at such times and on such terms as the Board considers appropriate. However, under the Listing Rules, no Options may be issued to a Director of the Company, whether under the Plan or otherwise, without prior Shareholder approval.
- (c) The exercise price of the Options will be determined by the Board in its absolute discretion but having regard to the market value of the Company's Shares when it resolves to offer the Options.
- (d) All Shares allotted upon exercise of the Options will rank pari passu in all respects with Shares previously issued and, in particular, entitle the holders of Shares so allotted to participate fully in dividends declared by the Company after the date of allotment and all issues of securities made or offered pro rata to holders of Shares.
- (e) The Company will not apply for official quotation of any Options issued under the Plan.
- (f) The Options are not transferable except if a participant dies or becomes subject to a legal disability.
- (g) If an Offeree (as defined in the Plan) ceases to be a Director or an employee after an Option has become exercisable, the options may be exercised during the following 3 months or such longer period as the Board determines. Options not vested automatically lapse.
- (h) Participants are not entitled to participate in any new issue of securities to existing holders of Shares unless they are entitled to exercise their Options and have done so prior to the record date for determining entitlements.
- (i) There is no right to change the exercise price of an Option nor the number of underlying Shares over which the Option can be exercised in the case of a bonus issue or a pro rata issue.
- (j) On a reorganisation of the Company's capital, the rights of participants will be changed to the extent necessary to comply with the Listing Rules of the ASX.
- (k) The Board may terminate or suspend the Plan at any time.

10.3 ASX Listing Rule 7.2 – Number of securities issued under the Plan since the last approval

The Company has issued 21,000,000 Options under the Plan since it was last approved by Shareholders on 31 May 2016.

10.4 ASX Listing Rule 7.2 – Voting Exclusion Statement

A voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 10.

10.5 Directors' Recommendation

The Directors unanimously recommend that Shareholders vote in favour of Resolution 10.

11. RESOLUTION 11 – APPROVAL TO ISSUE OPTIONS TO MR CHRIS BANASIK

11.1 Background

Resolution 11 seeks Shareholder approval in accordance with Listing Rule 10.11 for the issue of 7,000,000 Options to Mr Chris Banasik, a Director (**Incentive Options**).

The proposed issue of Incentive Options to Mr Banasik reflects Mr Banasik's strong mining and exploration skill set and is intended to assist in motivating Mr Banasik above what might be considered normal effort. The Incentive Options will also reward success where the Company is able to deliver increased Shareholder returns over a sustained period.

Options remain a cost-effective way of remunerating non-executive Directors when real cash remuneration levels have been declining but Director obligations and commitments have increased, particularly where the Company is advancing a number of significant exploration projects in the Carajás Mineral province of northern Brazil concurrently with pursuing a rework of its Feasibility Study on the Jambreiro Iron Ore Project in advance of assessing development options.

The Company believes generally that the grant of Options to non-executive Directors in junior resource companies encourages them to have a stronger alignment of interest in the achievement of the Company's objectives by participating in the future growth and prosperity of the Company through Share ownership.

Under the Company's current circumstances, it is considered that the incentives represented by the grant of the Incentive Options are a cost effective and efficient means for the Company to provide a reward and an incentive, as opposed to alternative forms of incentive, such as the payment of additional cash compensation.

11.2 Terms of Incentive Options

The Company intends on issuing the Incentive Options in tranches with exercise prices, vesting dates and expiry dates as follows:

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
1	1,750,000	\$0.012	Issue date	36 months after issue date
2	1,750,000	\$0.012	12 months after issue date	48 months after issue date
3	3,500,000	\$0.012	24 months after issue date	60 months after issue date
Total	7,000,000			

The proposed terms and conditions of the Incentive Options are otherwise set out in Schedule 2.

11.3 ASX Listing Rule 10.11

A summary of Listing Rule 10.11 is set out in Section 7.3 above.

If Resolution 11 is passed, the Incentive Options will be issued to Mr Banasik, who is a Related Party by virtue of being a Director of the Company. Accordingly, approval for the issue of Incentive Options is required pursuant to Listing Rule 10.11.

Approval pursuant to Listing Rule 7.1 is not required in order to issue the Incentive Options the subject of Resolution 11, as approval is being sought under Listing Rule 10.11 instead. Accordingly, the issue of the Incentive Options will not be included in the 15% calculation of the Company's annual placement capacity pursuant to Listing Rule 7.1.

11.4 Chapter 2E of the Corporations Act

A summary of Chapter 2E of the Corporations Act is set out in Section 7.2 above.

The issue of the Incentive Options to Mr Banasik or his nominee constitutes a financial benefit as defined in the Corporations Act. Mr Banasik is a Related Party of the Company by virtue of being a Director.

The Board has considered the application of Chapter 2E of the Corporations Act and has resolved that the reasonable remuneration exception provided by section 211 of the Corporations Act applies in the circumstances. Accordingly, the Company will not seek approval for the issue of the Incentive Options pursuant to section 208 of the Corporations Act.

11.5 Technical information required by ASX Listing Rule 10.11

Pursuant to and in accordance with Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolution 11:

- (a) the Incentive Options will be issued to Mr Chris Banasik (or his nominee);
- (b) the maximum number of Incentive Options to be issued is 7,000,000;
- (c) the Company will issue the Incentive Options as soon as practicable, but in any event no later than one month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules);

- (d) the Incentive Options will be issued for nil consideration, as they will be issued as part of the remuneration package for Mr Banasik;
- (e) the Incentive Options will be issued on the terms and conditions in Schedule 2;
- (f) no funds will be raised by the issue of the Incentive Options (although funds will be raised to the extent that the Incentive Options are ultimately exercised); and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 11.

11.6 Directors' Recommendation

The Directors (other than Mr Banasik, to whom this Resolution relates) unanimously recommend Shareholders vote in favour of Resolution 11.

GLOSSARY

\$ means Australian dollars.

10% Placement Facility has the meaning given in Section 9.1.

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

Annual Report means the annual report of the Company for the financial year ended 31 December 2018.

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.

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

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

Chair or **Chairman** means the chair of the Annual General Meeting.

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 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 dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations.

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

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 annual directors' report prepared under Chapter 2M of the Corporations Act for the Company and its controlled entities.

Equity Securities has the same meaning as given in the Listing Rules.

Explanatory Memorandum means the explanatory memorandum accompanying the Notice of Meeting.

Financial Report means the annual financial report prepared under Chapter 2M of the Corporations Act of the Company and its controlled entities.

Incentive Options has the meaning given in Section 11.1.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise) of the Company.

Managing Director means the managing Director of the Company.

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

Option means an option to acquire one Share.

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

Pinnacle Equities means Pinnacle Equities Pty Ltd, ABN 56 112 517 905 and AFSL 300776.

Placement has the meaning given in Section 4.1.

Placement Options and **Placement Shares** each have the meaning given in Section 4.1.

Plan means the Company's Employee Share Option Plan.

Proxy Form means the enclosed appointment of proxy form.

Related Party is defined in section 228 of the Corporations Act.

Remuneration Report means the remuneration report in the Directors' Report section of the Annual Report.

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

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Memorandum.

Shareholder means a registered holder of a Share.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

Unlisted Option means an Option not quoted on the official list of ASX.

VWAP means the volume weighted average trading price of the Shares on ASX.

WST means Western Standard Time as observed in Perth, Western Australia.

ANNEXURE A

Equity Securities issued by the Company during the 12 months preceding the Annual General Meeting

Date	Class of Equity Securities issued	Number of equity securities issued	Summary of Terms	Names of Persons to Whom Equity Securities Issued	Issue Price and discount to market price on date of issue (if any)	Consideration and how consideration was spent or is to be spent
4/05/2018	Unlisted Options	20,000,000	Issue of Unlisted Options exercisable at \$0.015 and with an expiry date of 31 January 2020 as partial consideration for the services performed by Peloton Capital in raising the funds under the Share Placement announced to the market on 2 February 2018.	Judge Thatcher Pty Ltd (nominee of Peloton Capital Pty Ltd.)	Nil	Nil
9/05/2018	Fully paid ordinary Shares	18,526,153	Placement of shortfall shares from unexercised CTMOA Options not exercised by the expiry date of 30 April 2018. The exercise price of the Options was \$0.01.	Listed options not exercised by option-holders were allotted to sophisticated clients of the Underwriter, Peloton Capital Pty Ltd.	\$0.01 The issue price represented a 37.5% discount to the market price (\$0.016) on the date of issue.	\$185,261 As at the date of this Notice the funds raised have been spent on the Company's exploration and drilling programs at its Itapitanga Nickel-Cobalt Project and Salobo West and Pebas Copper-Gold Projects in Brazil, general working capital and administrative expenses.
16/05/2018	Fully paid ordinary Shares	18,000	Issue of Shares upon the exercise of CTMOB listed Options exercisable at \$0.01 with an expiry date of 31 August 2019.	CTMOB listed Option holders.	\$0.01 The issue price represented a 33.3% discount to the market price (\$0.015) on the date of issue.	\$180 As at the date of this Notice the funds raised have been spent on the Company's exploration and drilling programs at its Itapitanga Nickel-Cobalt Project and Salobo West and Pebas Copper-Gold Projects in Brazil, general working capital and administrative expenses.

Date	Class of Equity Securities issued	Number of equity securities issued	Summary of Terms	Names of Persons to Whom Equity Securities Issued	Issue Price and discount to market price on date of issue (if any)	Consideration and how consideration was spent or is to be spent
1/06/2018	Fully paid ordinary Shares	190,166	Issue of Shares upon the exercise of CTMOB listed Options exercisable at \$0.01 with an expiry date of 31 August 2019.	CTMOB listed Option holders.	\$0.01 The issue price represented a 16.6% discount to the market price (\$0.012) on the date of issue.	\$1,901 As at the date of this Notice the funds raised have been spent on the Company's exploration and drilling programs at its Itapitanga Nickel-Cobalt Project and Salobo West and Pebas Copper-Gold Projects in Brazil, general working capital and administrative expenses.
12/06/2018	Fully paid ordinary Shares	5,500,000	Issue of Shares upon the exercise of employee Options exercisable at \$0.0082 with an expiry date of 10 June 2018.	Directors and employees of the Company.	\$0.0082 The issue price represented a 25.4% discount to the market price (\$0.011) on the date of issue.	\$45,100 As at the date of this Notice the funds raised have been spent on the Company's exploration and drilling programs at its Itapitanga Nickel-Cobalt Project and Salobo West and Pebas Copper-Gold Projects in Brazil, general working capital and administrative expenses.
26/03/2019	Fully paid ordinary Shares	400,000,000	Issue of Placement Shares at \$0.0055 per share to sophisticated and professional investors (the subject of Resolutions 4 and 5).	Sophisticated and professional investors.	\$0.0055 The issue price represented a 27.2% discount to the market price (\$0.007) on the date of issue.	\$2,200,000 As at the date of this Notice the funds raised have not been spent. The funds raised will be used to fund the update of the 2013 Feasibility Study on the Jambreiro Iron Ore Project, advance permitting for the Salobo West Copper Gold Project and preparations for future drilling, assessment of new project opportunities in the Carajas Mineral Province and general working capital.
Total		444,234,319				

SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS (RESOLUTIONS 6, 7 & 8)

The following are the terms and conditions of the Options the subject of Resolutions 6, 7 and 8:

- (a) Each Option entitles the holder to subscribe for one Share upon exercise of each Option.
- (b) The Options have an exercise price of \$0.012 (**Exercise Price**) and an expiry date of 5pm (WST) on 31 May 2021 (**Expiry Date**).
- (c) The Options are exercisable at any time prior to the Expiry Date. If an Option is not exercised before the Expiry Date it will automatically lapse (and thereafter be incapable of exercise).
- (d) The Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised.
- (e) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt by the Company in cleared funds of the payment of the Exercise Price for each Option being exercised (**Exercise Date**).
- (f) Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.
- (g) Shares issued on exercise of the Options rank equally with the Shares of the Company.
- (h) Within 15 business days after the later of the following:
 - (i) the Exercise Date; and
 - (ii) when excluded information (as defined in section 708A(7) of the Corporations Act) in respect of the Company (if any) ceases to be excluded information,the Company will:
 - (iii) allot and issue the Shares pursuant to the exercise of the Options;
 - (iv) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act or lodge a prospectus with ASIC that qualifies the Shares for resale under section 708A(11) of the Corporations Act; and
 - (v) apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.
- (i) There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least five business days after the issue is announced. This will give the holders of Options the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.
- (j) If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):
 - the number of Shares which must be issued on the exercise of an Option will be increased by the number of Shares which the Option holder would have received if the Option holder had exercised the Option before the record date for the bonus issue; and
 - no change will be made to the Exercise Price.
- (k) If there is any reconstruction of the issued share capital of the Company, the rights of the Option holders may be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.
- (l) Subject to satisfying the ASX listing criteria, the Options are intended to be quoted on ASX.

- (m) If the Options are not listed options, then they are transferable provided that the transfer of Options complies with section 707(3) of the Corporations Act. Should the Options become listed Options in accordance with paragraph (l) above then the Options will be transferable in accordance with relevant market rules.
- (n) Cheques shall be in Australian currency made payable to the Company and crossed "Not Negotiable".

SCHEDULE 2 – TERMS AND CONDITIONS OF INCENTIVE OPTIONS (RESOLUTION 11)

The following are the terms and conditions of the Options the subject of Resolution 11.

- (a) For the purpose of this Schedule 2, **Change of Control Event** means:
- (i) the acquisition by any person, either alone or together with an associate (as defined in the Corporations Act) of a relevant interest (as defined in the Corporations Act) in more than 50% of the issued shares in the Company; or
 - (ii) the announcement by the Company that:
 - A. Shareholders have at a Court-convened meeting of Shareholders voted in favour, by the necessary majority, of a proposed scheme of arrangement under which all Shares are to be either cancelled or transferred to a third party; and
 - B. the Court has, by order, approved the scheme of arrangement,but, for the avoidance of doubt does not include a scheme of arrangement for the purposes of a corporate restructure (including change of domicile, consolidation, subdivision, reduction or return) of the issued capital of the Company.

- (b) Each Incentive Option entitles the holder to subscribe for one Share upon exercise of each Incentive Option.
- (c) The Incentive Options will be issued in tranches. The relevant exercise price, vesting price and expiry date of each tranche of Incentive Options is as follows:

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
1	1,750,000	\$0.012	Issue date	36 months after issue date
2	1,750,000	\$0.012	12 months after issue date	48 months after issue date
3	3,500,000	\$0.012	24 months after issue date	60 months after issue date
Total	7,000,000			

- (d) The Incentive Options are exercisable at any time during the period commencing on the applicable Vesting Date and ending on the applicable Expiry Date for that Incentive Option. If an Incentive Option is not exercised before its relevant Expiry Date it will automatically lapse (and thereafter be incapable of exercise).
- (e) The Incentive Options may be exercised by notice in writing to the Company (**Notice of Exercise**) and payment of the Exercise Price for each Incentive Option being exercised.
- (f) A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt by the Company in cleared funds of the payment of the Exercise Price for each Option being exercised (**Exercise Date**).
- (g) On the occurrence of a Change of Control Event to the Company, all Incentive Options which have not yet vested will immediately vest and thereafter be capable of exercise.
- (h) Incentive Options may be issued to a permitted nominee. A permitted nominee is a third party nominated by the Director otherwise entitled to receive the Incentive Options and approved by the Board in its absolute discretion.
- (i) Unless otherwise determined by the Board, if an optionholder (or if the Incentive Options are issued to a permitted nominee, the person who nominated that permitted nominee) ceases to be a Director or an employee:

- (i) any vested Incentive Options may be exercised during the following 3 months (or such longer period as the Board may determine), and any Incentive Options not exercised within such period will automatically lapse; and
 - (ii) any unvested Incentive Options will immediately lapse (unless otherwise determined by the Board).
- (j) All Shares issued upon exercise of the Incentive Options will, from the date they are issued, rank pari passu in all respects with the Company's then issued Shares. The Company will apply for official quotation by ASX of all Shares issued upon exercise of the Incentive Options.
- (k) The optionholder will be entitled to participate in any new issue of securities to existing holders of Shares provided the optionholder has exercised their Incentive Options prior to the record date for determining entitlements.
- (l) The Incentive Options do not confer on the holder any right to participate in dividends until Shares are allotted pursuant to the exercise of the Incentive Options.
- (m) Subject to paragraph (n), if the Company makes a bonus share issue, a rights issue or any other similar issue of rights or entitlements, there will be no adjustment to the exercise price, the number of Shares per Incentive Option or any other terms of those Incentive Options.
- (n) On a reorganisation of the Company's capital, the rights of optionholders (including the number of Incentive Options and the exercise price) will be changed to the extent necessary to comply with the Listing Rules.
- (o) Subject to the Corporations Act, the Listing Rules and the Constitution, the Incentive Options are transferable at the discretion of the Board.
- (p) For the purposes of section 83A-105 of the *Income Tax Assessment Act 1997* (Cth) (relating to deferred inclusion of gain in assessable income), subdivision 83A-C applies to the Incentive Options (subject to the requirements of that Act).
- (q) The Incentive Options will not be listed for quotation on the ASX.

SCHEDULE 3 – RULES OF EMPLOYEE SHARE OPTION PLAN (RESOLUTION 10)

1. NAME OF PLAN

1.1. This Plan shall be called the Centaurus Metals Limited Employee Share Option Plan 2019.

2. ESTABLISHMENT AND TERMINATION OF THE PLAN

2.1. The Board may establish and administer the Plan in accordance with the terms and conditions set out in these Rules and otherwise as it determines from time to time in its absolute discretion.

2.2. The Board may terminate the Plan, or suspend its operation for any period it considers desirable, at any time that it considers appropriate.

2.3. The Board may not issue any further Options after the Plan has been terminated. However, these Rules will continue to apply to Options on issue at the date of such termination until the last of those Options lapses or is exercised.

3. PURPOSE OF PLAN

3.1. The purpose of this Plan is to:

- (a) recognise the ongoing ability of the employees of the Company and their expected efforts and contribution in the long term to the performance and success of the Company;
- (b) provide an incentive to the employees of the Company to remain in their employment in the long term;
- (c) attract persons of experience and ability to employment with the Company and foster and promote loyalty between the Company and its employees; and
- (d) provide employees of the Company with the opportunity to acquire Options, and ultimately Shares, in the Company, in accordance with these Rules.

4. OPERATION OF THE PLAN

4.1. The Plan operates according to these Rules which bind the Company and each Participant.

5. ELIGIBILITY

5.1. Subject to these Rules, the Board may from time to time determine that any Eligible Person is entitled to participate in the Plan and the extent of that participation.

5.2. The Board may exercise its powers in relation to the participation of any Eligible Person on any number of occasions.

6. OFFER OF OPTIONS AND EXERCISE PRICE

6.1. Subject to these Rules and to the Listing Rules, the Company (acting through the Board) may offer Options to any Eligible Person at such times and on such terms as the Board considers appropriate. Each Offer must state:

- (a) the name and address of the Offeree;
- (b) the number of Options offered;
- (c) that the Offeree may accept the whole or any lesser number of Options offered;
- (d) the minimum number of Options and any multiple of such minimum or any other number which may be accepted;
- (e) the period within which the Offer may be accepted, and the period or periods during which the Options or any of them may be exercised and the Expiry Date or Expiry Dates;
- (f) the consideration payable for the grant of any Option (if any);
- (g) any Exercise Conditions;
- (h) the Exercise Price; and
- (i) any other matters which the Board may determine.

6.2. The Exercise Price of each Option will be determined by the Board in its absolute discretion but having regard to the Market Value of the Shares when it resolves to offer the Option.

7. ACCEPTING OFFERS

7.1. Upon receipt of an Offer, the Offeree may, within the period specified in the Offer:

- (a) accept the whole or, subject to the terms of the Offer, any lesser number of Options offered by giving to the Company an Application Form signed by the Offeree; or
- (b) nominate by notice in writing to the Board a nominee in whose favour the Offeree wishes to renounce the Offer and include with such notice an Application Form signed by the nominee accepting the whole or, subject to the terms of the Offer, any lesser number of Options offered. The Board shall, in its absolute discretion, resolve whether to allow such renunciation of an Offer in favour of the nominee but shall not be required to give any reason for such decision.

7.2. Upon:

- (a) receipt of an Application Form referred to in paragraph (a); or
- (b) the Board resolving to allow a renunciation of an Offer in favour of a nominee ("**Permitted Nominee**"), referred to in paragraph 7.1(b),

then the Offeree or the Permitted Nominee, as the case may be, will be taken to have agreed to be bound by these Rules and will be granted the number of Options accepted subject to these Rules.

7.3. If Options are issued to a Permitted Nominee, the Offeree must, without limiting any provision in these Rules, ensure that the Permitted Nominee complies with these Rules.

7.4. On the issue of Options following receipt by the Company of an Application Form, the Offeree or the Permitted Nominee, as the case may be, becomes a Participant.

7.5. A Participant has no interest in a Share the subject of an Option held by the Participant unless and until the Share is issued to that Participant under these Rules.

8. CERTIFICATES

8.1. The Company must within 10 Business Days after the Issue Date give a Participant one or more Certificates stating:

- (a) the number of Options issued to the Participant;
- (b) the Exercise Price of those Options;
- (c) the Issue Date of those Options;
- (d) the period or periods within which the Options may be exercised and the Expiry Date or Expiry Dates; and
- (e) any Exercise Conditions.

9. QUOTATION

9.1. The Company will not apply for Official Quotation of any Options.

9.2. The Company must apply for Official Quotation of Shares allotted pursuant to the exercise of Options within the time required by the Listing Rules after the date of allotment.

10. NOT TRANSFERABLE

10.1. Subject to paragraph 13.4, Options are not transferable.

10.2. If a Participant purports to sell, transfer, assign, mortgage, charge or otherwise dispose of or encumber any of the Options or any right or benefit attaching to any of the Options other than as permitted by these Rules, all Options held by the Participant shall lapse and terminate.

11. EXERCISE OF OPTIONS

11.1. Subject to any Exercise Conditions, Options may be exercised at any time during the period specified in the relevant Certificate.

11.2. Notwithstanding paragraph 11.1, all Options may be exercised:

- (a) during a Bid Period; or

- (b) within one (1) month after a Change of Control Event has occurred; or
 - (c) if on an application under section 411 of the Corporations Act, a court orders a meeting to be held concerning a proposed compromise or arrangement for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company.
- 11.3. Options may only be exercised by the Participant giving notice in writing to the Board delivered to the registered office of the Company. The notice must specify the number of Options being exercised and must be accompanied by:
- (a) the Certificate for those Options, for cancellation by the Company; and
 - (b) a cheque payable to the Company (or another form of payment acceptable to the Board) in the amount of the number of Options then being exercised by the Participant multiplied by the Exercise Price of those Options.

The notice is only effective when the Company has received value for the full amount referred to in paragraph (b).

- 11.4. Subject to paragraph 13.1, within 10 Business Days after the notice referred to in paragraph 11.3 becoming effective, the Board must:
- (a) allot and issue the number of Shares to be issued for the Options being exercised;
 - (b) cancel the Certificate for the Options being exercised; and
 - (c) if applicable, issue a new Certificate for any remaining Options covered by the Certificate accompanying the notice.
- 11.5. The Board may, in its absolute discretion, by notice to the Participant waive or vary (provided such variation is not adverse to the Participant) all or any of the Exercise Conditions attaching to Options at any time.

12. SHARES ALLOTTED ON EXERCISE OF OPTIONS

- 12.1. All Shares allotted upon exercise of the Options rank pari passu in all respects with Shares previously issued and, in particular, entitle the holders of Shares so allotted to participate fully in:
- (a) dividends declared by the Company after the date of allotment; and
 - (b) all issues of securities made or offered pro rata to holders of Shares.

13. LAPSE OF OPTIONS

- 13.1. Options not validly exercised on or before the Expiry Date will automatically lapse and all rights of the Participant under the Plan for those Options cease.
- 13.2. If an Offeree ceases to be an Eligible Person for any reason at any time after an Option is or has become exercisable, then such Offeree, or if appropriate, his or her Permitted Nominee, may exercise any such Options held by him or her within:
- (a) **three (3) months** of ceasing to be an Eligible Person; or
 - (b) such longer period as the Board determines,
- and any Options the subject of this clause not exercised within the **three (3) months** or the longer period determined by the Board, will automatically lapse.
- 13.3. A certificate signed by the company secretary of the Company stating that an Offeree ceased for any reason to be an Eligible Person shall (in the absence of manifest error) be conclusive for the purposes of the Plan, both as to such occurrence and the date of such occurrence.
- 13.4. If at any time prior to the Expiry Date of any Options a Participant dies or becomes subject to a legal disability, the Participant's Legal Personal Representative may:
- (a) elect to be registered as the new holder of the deceased Participant's Options; and
 - (b) whether or not he or she becomes so registered, exercise those Options in accordance with and subject to these Rules as if he or she were the holder of them.

14. PARTICIPATION RIGHTS, BONUS ISSUES, RIGHTS ISSUES, REORGANISATIONS OF CAPITAL AND WINDING UP

14.1. New Issues

- (a) Participants are not entitled to participate in any new issue of securities to existing holders of Shares in the Company unless:
 - (i) they have become entitled to exercise their Options under the Plan; and
 - (ii) they do so before the record date for the determination of entitlements to the new issue of securities and participate as a result of being holders of Shares.
- (b) The Company must, to the extent the Company is able to, give Participants, in accordance with the Listing Rules, notice of any new issue of securities before the record date for determining entitlements to the new issue.

14.2. Bonus Issues

There is no right to change the Exercise Price of an Option nor the number of underlying Shares over which the Option can be exercised, if the Company completes a bonus issue.

14.3. Pro Rata Issues

There is no right to change the Exercise Price of an Option nor the number of underlying Shares over which the Option can be exercised, if the Company completes a pro rata issue to the holders of Shares.

14.4. Reorganisation of Capital

If, prior to the Expiry Date of any Options, there is a reorganisation of the issued capital of the Company, then the rights of a Participant (including the number of Options to which such Participant is entitled and the Exercise Price) is changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.

14.5. Winding Up

If, prior to the expiry of any Options, a resolution for a members' voluntary winding up of the Company is proposed (other than the purpose of a reconstruction or amalgamation) the Board may, in its absolute discretion, give written notice to any Participant of the proposed resolution and specifying a period during which the Participant may exercise his or her Options. The Participant may, during the period referred to in the notice, exercise his or her Options.

14.6. Fractions of Shares

For the purpose of this clause 14, if Options are exercised by a Participant simultaneously, then the Participant may aggregate the number of Shares or fractions of Shares for which the Participant is entitled to subscribe. Fractions in the aggregate number only will be disregarded in determining the total entitlement of a Participant.

14.7. Calculations and Adjustments

Any calculations or adjustments which are required to be made under this clause 14 will be made by the Board and, in the absence of manifest error, are final and conclusive and binding on the Company and the Participant.

14.8. Notice of Change

The Company must within a reasonable period give to each Participant notice of any change under this clause 14 to any rights of the Participant.

15. AMENDMENTS TO THE RULES

15.1. Board May Alter Rules

The Board may, subject to paragraph 15.2 and the Listing Rules, alter, delete or add to these Rules at any time and may waive or modify the application of any of these Rules in relation to an Eligible Person.

15.2. Consent of Participants

If any amendment to be made under paragraph 15.1 would adversely affect the rights of Participants for any Options then held by them, the Board must obtain the consent of Participants who between them hold not less than 75% of the total number of those Options held by all those Participants before making the amendment.

15.3. Retrospective Effect

Subject to this clause 15, any amendments to the Rules may be given such retrospective effect as is specified in the Board resolution by which the amendment is made.

16. POWERS OF THE BOARD

16.1. The Plan shall be administered by the Board who shall have the power to:

- (a) determine appropriate procedures and make regulations for the administration of the Plan which are consistent with these Rules;
- (b) resolve conclusively all questions of fact or interpretation arising in connection with the Plan;
- (c) terminate or suspend the operation of the Plan at any time, provided that the termination or suspension does not adversely affect or prejudice the rights of Participants holding Options at that time;
- (d) delegate those functions and powers it considers appropriate, for the efficient administration of the Plan, to any one or more persons whom the Board reasonably believes to be capable of performing those functions and exercising those powers, for such period and on such conditions as the Board may determine;
- (e) take and rely upon independent professional or expert advice in or in relation to the exercise of any of their powers or discretions under these Rules; and
- (f) administer the Plan in accordance with these Rules and to the extent provided in these Rules.

16.2. Any power or discretion conferred on the Board by these Rules may be exercised by the Board in the interest or for the benefit of the Company and the Board is not, in exercising that power or discretion, under any fiduciary or other obligation to any other person.

16.3. Where these Rules provide for a determination, decision or approval of the Board, that determination, decision or approval may be made or given by the Board in its absolute discretion.

17. NOTICES

17.1. Notices may be given by the Company to any Participant either personally or by sending by post to his or her address as noted in the Company's records or to the address (if any) within the Commonwealth of Australia supplied by him or her to the Company for the giving of notices. Notices for any overseas Participants shall be forwarded and posted by air. Where a notice is sent by post the notice shall be deemed to be served two (2) days after posting. The signature of any notice may be given by any Director or secretary of the Company. A notice of exercise given under paragraph 11.3 shall not be deemed to be served on the Company until actually received.

18. GENERAL

18.1. The rights and obligations of any Participant under the terms of his or her employment with the Company (if any) are not affected by his or her participation in the Plan.

18.2. These Rules do not form part of, and will not be incorporated into, any contract of engagement or employment between a Participant and the Company.

18.3. No Participant has any rights to compensation or damages as a result of the termination of his or her employment, so far as those rights arise or may arise from the Participant ceasing to have rights under the Plan as a result of the termination.

18.4. Participants do not, as Participants, have any right to attend or vote at general meetings of holders of Shares.

18.5. The Plan shall not confer directly or indirectly on any Eligible Person any legal or equitable rights whatsoever, other than the rights as the holder of Options.

18.6. None of the Directors, the Company or any of its related bodies corporate will be liable or responsible for any loss suffered by or liability of an Eligible Person:

- (a) due to any amendments to the Plan or any suspension, termination or operation of the Plan effected in accordance with these Rules;
- (b) due to any delay in the issue of any Options to the Eligible Person or any Shares upon exercise of the Options; and
- (c) for any Tax arising due to or in connection with the issue of any Options to the Eligible Person or any Shares upon exercise of the Options or otherwise as a consequence of his or her participation in the Plan.

19. APPLICATION OF SUBDIVISION 83A-C

- 19.1. For the purposes of section 83A-105 of the Income Tax Assessment Act (relating to deferred inclusion of gain in assessable income), subdivision 83A-C applies to the Plan (subject to the requirements of that Act).

20. GOVERNING LAW

- 20.1. The Plan and any Options issued under it are governed by the laws of Western Australia and the Commonwealth of Australia.
- 20.2. Each Participant irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, and the Commonwealth of Australia and courts entitled to hear appeals from those courts.

21. ADVICE

- 21.1. Offerees should obtain their own independent advice at their own expense on the financial, taxation and other consequences to them of or relating to proposed participation in the Plan.

22. DEFINITIONS AND INTERPRETATION

- 22.1. In these Rules, unless the context otherwise requires, the following words and expressions shall have the following meanings:

"**Application Form**" means a duly completed and executed application for the issue of Options made by an Offeree or Permitted Nominee for an Offer, in the form approved by the Board from time to time;

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

"**Bid Period**", in relation to a takeover bid for Shares, means the period referred to in the definition of that expression in section 9 of the Corporations Act provided that where a takeover bid is publicly announced prior to the service of a bidder's statement on the Company in relation to that takeover bid, the Bid Period shall be deemed to have commenced at the time of that announcement;

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

"**Business Day**" means a day on which banks are open for business in Perth excluding a Saturday, Sunday or public holiday;

"**Certificate**" means the certificate issued in accordance with clause 8 by the Company to a Participant for an Option;

"**Change of Control Event**" means a shareholder, or a group of associated shareholders, becoming entitled to sufficient shares in the Company to give it or them the ability, and that ability is successfully exercised, in general meeting, to replace all or a majority of the Board;

"**Company**" means Centaurus Metals Limited ACN 009 468 099;

"**Contractor**" means a contractor of the Company who falls within the definition of "contractor" as defined in Australian Securities and Investments Commission Class Order [CO 14/1000] (as amended or replaced by any subsequent Class Order);

"**Corporations Act**" means *Corporations Act 2001 (Cth)*;

"**Director**" means a director of the Company from time to time but does not include a person who is only a director by virtue of being an alternate director;

"Eligible Person" means at any time a person who then is a Director, Contractor or an employee (whether full-time or part-time) of the Company or an associated body corporate of the Company;

"Exercise Conditions" means the performance, vesting or other conditions (if any) determined by the Board and specified in an Offer which are, subject to these Rules, required to be satisfied, reached or met before an Option can be exercised;

"Exercise Price" means, for an Option, the subscription price per Share, determined in accordance with paragraph 6.2, payable by a Participant on exercise of the Option;

"Expiry Date" means, in relation to an Option, the last date on which an Option may be exercised;

"Income Tax Assessment Act" means Income Tax Assessment Act 1997 (Cth);

"Issue Date" means, in relation to an Option, the date on which the Company grants that Option;

"Legal Personal Representative" means the executor of the will or an administrator of the estate of a deceased person, the trustee of the estate of a person under a legal disability or a person who holds an enduring power of attorney granted by another person;

"Listing Rules" means the Official Listing Rules of ASX as they apply to the Company from time to time;

"Market Value" means, if the Company is admitted to the official list of ASX:

- (a) the weighted average closing sale price of the Shares recorded on the stock market of ASX over the five trading days immediately preceding the day on which the Board resolves to offer an Option; or
- (b) in circumstances where there has been no trading in the Shares during the five trading days immediately preceding the day on which the Board resolves to offer an Option, the last sale price recorded on the stock market of ASX;

"Offer" means an invitation to an Eligible Person made by the Company under paragraph 6.1 to apply for an issue of Options;

"Offeree" means an Eligible Person to whom an Offer is made;

"Official Quotation" has the meaning ascribed to it in the Listing Rules;

"Option" means an option issued under the Plan to subscribe for a Share;

"Participant" means a person who holds Options issued under the Plan and includes, if a Participant dies or becomes subject to a legal disability, the Legal Personal Representative of the Participant;

"Permitted Nominee" has the meaning given to it by paragraph 7.2;

"Plan" means the Centaurus Metals Limited Employee Share Option Plan 2019 established in accordance with these Rules;

"Rules" means these rules, as amended from time to time;

"Shares" means fully paid ordinary shares in the capital of the Company; and

"Tax" includes any tax (direct or indirect), levy, impost, GST, deduction, charge rate, contribution, duty or withholding which is assessed (or deemed to be assessed) levied, imposed or made by any government or semi-governmental or judicial entity or authority or any interest, penalty, fine, charge or fee or other amount assessed (or deemed to be assessed), levied, imposed or made on or for any or all of the foregoing.

22.2. In these Rules, unless a contrary intention appears:

- (a) where an expression is defined, another part of speech or grammatical form of that expression has a corresponding meaning;
- (b) the singular includes the plural and vice versa;
- (c) a reference to a gender includes all genders; and
- (d) an expression defined in, or given a meaning for the purposes of, the Corporations Act has the same meaning where used in these Rules.

PROXY FORM

The Company Secretary, Centaurus Metals Limited

By email:
proxyform@centaurus.com.au

By post:
PO Box 975
West Perth WA 6872

SEQ: 0000000000

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

the Chairman of the meeting **OR**

Please note: If you leave this section blank, the Chairman of the Meeting will be your proxy.

or failing such appointment, or if no appointment is made, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Friday 31 May 2019 commencing at 10am (WST), and at any adjournment or postponement of that Meeting.

IMPORTANT NOTE FOR MEMBERS WHO APPOINT THE CHAIRMAN OF THE MEETING AS THEIR PROXY

The Chairman of the Meeting intends to vote all available proxies in favour of each Resolution.

Where I/we have appointed the Chairman as my/our proxy (whether by direction or default), I/we acknowledge that Resolution 1 relates directly or indirectly to the remuneration of key management personnel, and that the Chairman intends to vote any undirected proxies in favour of Resolution 1. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxies in relation to Resolution 1 even though this Resolution is connected directly or indirectly with the remuneration of key management personnel and the Chairman may have an interest in the outcome of the Resolution.

VOTING DIRECTIONS

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

	For	Against	Abstain
Resolution 1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-Election of Director – Mr Bruno Scarpelli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of Director – Mr Chris Banasik	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Ratification of Issue of Placement Shares Under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of Issue of Placement Shares Under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Approval to issue Placement Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 Approval to Issue Shares and Options to a Director participating in the Placement – Mr Chris Banasik	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 Approval to Issue Options to Pinnacle Equities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 9 Approval of Additional 10% Placement Facility	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 10 Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 11 Approval to Issue Options to Mr Chris Banasik	<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 that Resolution 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

Sole Director and Sole Company Secretary

Shareholder 2

Director

Shareholder 3

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. The shares represented by this proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any poll that may be called for, and if the shareholder has specified a choice in respect of any matter to be acted upon, the shares will be voted accordingly.

4. The Chairman intends to vote in favour of all Resolutions set out in the Notice of Meeting.

5. **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.

6. **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.

7. **Entitled to Vote:** For the purposes of Regulation 7.11.37 of the *Corporations Regulations 2001* (Cth) the Company determines that shareholders holding shares at Wednesday 29 May 2019 at 5pm (WST) will be entitled to attend and vote at the Meeting.

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

(a) email to the Company at proxyform@centaurus.com.au; or

(b) post to Centaurus Metals Limited, PO Box 975, West Perth, WA 6872

so that it is received not later than 5pm (WST) on Wednesday 29 May 2019.

Proxy forms received later than this time will be invalid.