



CENTAURUS METALS LIMITED

ACN 009 468 099

NOTICE OF GENERAL MEETING

Notice is given that a General Meeting of the Company will be held as follows:

TIME: 10 a.m. (WST).
DATE: 31 March 2020
PLACE: KPMG
Ground Floor
235 St Georges Terrace
Perth, Western Australia

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 General Meeting, please complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

INTRODUCTION

Notice is given that a General Meeting of Shareholders of the Company will be held at the offices of KPMG, Ground Floor, 235 St Georges Terrace, Perth, Western Australia on 31 March 2020 commencing at 10am (WST). The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the attached Glossary.

AGENDA

1 RESOLUTION 1 – SHARE CONSOLIDATION

To consider, and if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

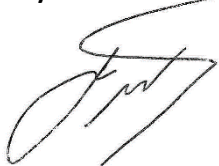
"That in accordance with, and pursuant to, section 254H(1) of the Corporations Act and for all other purposes, approval is given for the issued share capital of the Company to be consolidated on the basis that:

- (a) every fifteen (15) existing Shares be consolidated into one (1) Share;*
- (b) every fifteen (15) Options be consolidated into one (1) Option and adjusted in accordance with the ASX Listing Rules;*
- (c) every fifteen (15) Performance Rights be consolidated into one (1) Performance Right and adjusted in accordance with the ASX Listing Rules; and*
- (d) where the consolidation effected by paragraphs (a) to (c) of this Resolution results in a fraction of a Share, Option or Performance Right being held by a security holder, the Company be authorised to round that fraction up to the nearest Share, Option or Performance Right (as applicable),*

with the consolidation to take effect in accordance with the timetable and otherwise on the terms and conditions set out in the Explanatory Statement."

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 March 2020.

By Order of the Board



John Westdorp
Company Secretary
27 February 2020

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Centaurus Metals Limited (**Company**) in connection with the business to be conducted at the General Meeting of the Company to be held at the offices of KPMG, Ground Floor, 235 St Georges Terrace, Perth, Western Australia on 31 March 2020 commencing at 10am (WST).

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

A Proxy Form has been dispatched with the Notice of Meeting and Explanatory Statement.

1 RESOLUTION 1 – SHARE CONSOLIDATION

1.1 General

The Company is seeking Shareholder approval for the Company to consolidate its issued capital through:

- (a) the conversion of every fifteen (15) Shares into one (1) Share;
- (b) the conversion of every fifteen (15) Options into one (1) Option, adjusted in accordance with the ASX Listing Rules;
- (c) the conversion of every fifteen (15) Performance Rights into one (1) Performance Right, adjusted in accordance with the ASX Listing Rules,

(Consolidation).

The result of the Consolidation will be that each security holder's security holding in the Company is reduced to 6.67% of its current level.

1.2 Regulatory requirements

Section 254H(1) of the Corporations Act provides that the Company may convert all or any of its Shares into a larger or smaller number of Shares by ordinary resolution passed at a general meeting.

Pursuant to and in accordance with ASX Listing Rule 7.20, the information below is provided in relation to the Consolidation.

(a) Effect of the Consolidation

If this Resolution is approved, every fifteen (15) Shares on issue will be consolidated into one (1) Share (subject to rounding). Overall, this will result in the number of Shares on issue reducing from 3,790,971,362 to approximately 252,731,424 (subject to rounding and before the issue of any Shares pursuant to this Notice).

The Consolidation applies equally to all Shareholders. Accordingly, individual Shareholdings will be reduced in the same ratio as the total number of Shares (subject to rounding). Assuming no other market movements or impacts occur, the Consolidation will therefore have no effect on the percentage interest in the Company of each Shareholder (other than minor variations resulting from rounding).

The Consolidation will not result in any change to the substantive rights and obligations of existing Shareholders.

(b) Proposed treatment of convertible securities

As at the date of this Notice of Meeting, the Company has on issue the following convertible securities:

- 434,100,000 Listed Options with an exercise price of \$0.012 and an expiry date of 31 May 2021 (CTMOC).
- 109,841,904 Unlisted Options with various exercise prices and expiry dates (CTMAS) as shown in the table below.

Expiry date	Exercise price	Vested	Unvested	Total
31 May 2020	0.01300	18,500,000	-	18,500,000
10 June 2020	0.00820	8,500,000	-	8,500,000
31 May 2021	0.01400	18,500,000	-	18,500,000
31 May 2022	0.01500	33,500,000	-	33,500,000
31 May 2022	0.01200	1,750,000	-	1,750,000
31 May 2023	0.01200	-	1,750,000	1,750,000
31 December 2023	Nil	-	23,841,904	23,841,904
31 May 2024	0.01200	-	3,500,000	3,500,000
Total		80,750,000	29,091,904	109,841,904

- 90,000,000 Performance Rights which were issued to Terrativa Minerai SA in three tranches under the terms of the Company's agreement with Terrativa Minerai SA as announced on 5 October 2016 in relation to the right to acquire 100% of the Para Exploration Package in Brazil, with each tranche of Performance Rights converting into Shares upon the achievement in full of the following vesting conditions:
 - Tranche A – 30,000,000 Performance Rights will be converted into Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
 - Tranche B – 30,000,000 Performance Rights will be converted into Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,000,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements;
 - Tranche C – 30,000,000 Performance Rights will be converted into Shares if, within a period of 5 years after the date of issue of the Performance Rights, a JORC-compliant Inferred Resource of 1,500,000oz of gold or gold equivalent is defined on the Pará Exploration Package Project tenements.

If the Consolidation is approved then, in accordance with ASX Listing Rule 7.22.1, all Options and Performance Rights issued by the Company will be consolidated in the same ratio as Shares, and the exercise price of the Options will be amended in inverse proportion to that ratio.

(c) Fractional entitlements

Where the Consolidation results in an entitlement to a fraction of a Share, Option or Performance Right (as applicable), that fraction will be rounded up to the next whole number of Shares, Options or Performance Rights (as applicable). Each security holder's proportional interest in the Company's issued capital will, however, remain unchanged as a result of the Consolidation (other than minor variations resulting from rounding).

1.3 Purpose of proposed resolution

The Company currently has 3,790,971,362 Shares on issue, which, for a Company of its size, is a considerable number. The Consolidation will result in a more appropriate and effective capital structure for the Company and a Share price more appealing to a wider range of investors. The Board considers that the Consolidation will result in a more appropriate and effective capital structure for the Company as it continues to progress its projects.

The large number of Shares currently on issue subjects Shareholders to several disadvantages, including:

- (a) poor market perception as investors equate the low share price with the perception of a troubled or poorly performing company;
- (b) vulnerability to speculative day-to-day trading which generates excessive Share price volatility; and
- (c) discouraging quality, long term institutional investors, equity funds and lending institutions seeking stability and long-term growth.

The Board believes these factors can be minimised by the Consolidation.

If Resolution 1 is not passed, the Company will retain its current (pre-Consolidation) capital structure and Shareholders will continue to be exposed to the disadvantages described above.

1.4 Holding statements

With effect from the date of the Consolidation, all existing holding statements will cease to have any effect, except as evidence of entitlement to a certain number of securities on a post-Consolidation basis.

After the Consolidation becomes effective, new holding statements will be issued to securityholders, who are encouraged to check their post-Consolidation holdings.

1.5 Effect on capital structure

The effect which the Consolidation will have on the Company's capital structure is set out as follows:

Capital Structure	Shares	Listed Options	Unlisted Options	Performance Rights
Current (pre-Consolidation)	3,790,971,362	434,100,000	86,000,000	90,000,000
Post-Consolidation*	252,731,424	28,940,000	5,733,333	6,000,000

* These are approximate numbers only. The actual numbers will depend on the number of Shares, Listed Options, Unlisted Options and/or Performance Rights held by each securityholder as at 2 April 2020 and the effects of rounding.

1.6 Taxation

The Consolidation should not result in a capital gains tax event for Australian tax residents. The cost base of the Shares held after the Consolidation will be the sum of the cost bases of the original Shares pre-Consolidation. The acquisition date of Shares held after the Consolidation will be the same as the date on which the original Shares were acquired.

This Explanatory Statement does not, however, consider the tax implications in respect of Shares or other securities held on revenue account, as trading stock or by non-resident Shareholders. The tax information in this Explanatory Statement does not apply to Shareholders:

- (a) who have acquired their Shares in respect of employment or through the provision of services; or
- (b) who are subject to the "Taxation of Financial Arrangement" rules.

Shareholders should consider their own circumstances and seek their own professional advice in relation to their tax position. Neither the Company nor any of its officers or employees assumes any liability or responsibility for advising Shareholders or other security holders about the tax consequences of the proposed Consolidation.

1.7 Indicative timetable

If approved by Shareholders, the proposed Consolidation will take effect on 2 April 2020. The following is an indicative timetable (subject to change) of the key events:

Event	Date
General Meeting	31 March 2020
Notification to ASX that Consolidation is approved	31 March 2020
Last day for trading in pre-Consolidation securities	1 April 2020
Trading commences in the post-Consolidated securities on a deferred settlement basis	2 April 2020
Last day for Company to register transfers on a pre-Consolidation basis	3 April 2020
First day for Company to register securities on a post- Consolidation basis and issue new holding statements	6 April 2020
Completion of despatch of new holding statements. Deferred settlement trading ends	14 April 2020
Normal trading starts	15 April 2020

1.8 Board recommendation

The Board supports the proposed Consolidation and unanimously recommends that Shareholders vote in favour of the Resolution.

GLOSSARY

\$ means Australian dollars.

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

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

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 chairman of the Meeting.

Company means Centaurus Metals Limited ACN 009 468 099.

Consolidation means the consolidation of the Company's issued capital on a one for fifteen basis the subject of Resolution 1.

Corporations Act means the Corporations Act 2001 (Cth).

Director means a current director of the Company.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the Explanatory Statement accompanying the Notice of Meeting.

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

Listed Option means an Option quoted on the official list of ASX.

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

Option means an option to acquire one Share.

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

Performance Right means a right to be issued, for no consideration, a Share in the capital of the Company upon the satisfaction of specified performance conditions.

Proxy Form means the enclosed appointment of proxy form.

Resolution means the resolution set out in the Notice.

Schedule means a schedule to this Notice.

Section means a section contained in this Explanatory Statement.

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

Shareholder means a registered holder of a Share.

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

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

PROXY FORM

To: The Company Secretary, Centaurus Metals Limited

By email
proxyform@centaurus.com.au

By post
PO Box 975 West Perth WA 6872

Appointment of Proxy

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 General Meeting of the Company to be held at the offices of KPMG, Ground Floor, 235 St Georges Terrace, Perth, Western Australia on 31 March 2020 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. Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorizing the Chairman to vote in accordance with the Chairman's voting intention.

Voting Directions

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

	For	Against	Abstain
Resolution 1 Share Consolidation	<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 and your votes will not be counted in calculating the required majority on a poll.

Signature of Security Holders

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 Number

Date

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. **Appointing a Proxy.** A Shareholder entitled to attend and vote at the 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.

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.

3. **Chairman's Intention.** The Chairman intends to vote in favour of all Resolution set out in the Notice of Meeting.

4. **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.

5. **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.

6. **Entitlement to Vote.** For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) the Company determines that Shareholders holding Shares at 29 March 2020 at 5pm (WST) will be entitled to attend and vote at the Meeting.

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

- email to the Company at proxyform@centaurus.com.au; or
- post to Centaurus Metals Limited, PO Box 975, West Perth, WA 6872

so that it is received not later than 5pm (WST) on 27 March 2020.

Proxy forms received later than this time will be invalid.