

11 April 2014

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

On 4 April 2014, Centaurus Metals Limited (**Centaurus** or **Company**) announced a placement of up to 40,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at \$0.125 per Share to institutional, sophisticated and professional investors to raise approximately \$5.0 million before costs of the issue (**Placement**).

The Board of Directors of Centaurus are now pleased to offer eligible shareholders the opportunity to participate in a Shareholder Share Purchase Plan (**Plan**) to acquire additional Shares at the same issue price of \$0.125 per Share as that paid by investors under the Placement.

Shareholders Eligible to Participate in the Plan

The right to participate in the offer under the Plan is optional and is available exclusively to Shareholders who are registered as holders of Shares at 5pm (WST) on the Record Date of 3 April 2014 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at a price of \$0.125 per Share (**Offer**). The Plan also enables Eligible Shareholders who hold shares as a “custodian” to participate in the Offer on behalf of each beneficiary on whose behalf the custodian is holding Shares up to a maximum amount of \$15,000 worth of Shares for each beneficiary.

The issue price of the Offer represents a discount of:

- 7.4% to the closing price of \$0.135 per Share on 31 March 2014 (being the last trading day prior to the announcement of the Placement);
- 11.9% to the fifteen day volume weighted average trading price up to and including 31 March 2014 of \$0.142 per Share; and
- 18.4% to the thirty day volume weighted average trading price up to and including 31 March 2014 of \$0.153 per Share.

The amount an Eligible Shareholder can subscribe for will be restricted to a cumulative total of \$15,000 worth of Shares.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Application Form.

Current Projects

Details of the Company’s current activities are set out in the announcements made by Centaurus to the ASX and are available from the ASX or Centaurus’ website at www.centaurus.com.au.

The funds raised under the Plan will be used by the Company in conjunction with funds raised from the recent Placement (at the same price as the Plan) to progress exploration and development of the Company’s iron ore projects in Brazil.



How much can you invest?

Under the Plan, Eligible Shareholders may only acquire a maximum of \$15,000 worth of Shares under a share purchase plan in any 12 month period.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Application Form and send it together with your payment by cheque, bank draft or money order made payable to “Centaurus Metals Limited – SPP Account” and drawn in Australian currency for the correct amount, to Centaurus’ share registry, Advanced Share Registry Services Ltd, at PO Box 1156, Nedlands, WA 6909, on or before the **Closing Date of 5pm (WST) on 5 May 2014**. No late applications will be accepted.
- make a BPAY[®] payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY[®] you do not need to return your Application Form. New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after **5pm (WST) on 5 May 2014** will not be accepted.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable at \$0.125 per Share	Number of Shares which may be purchased
Offer A	\$15,000	120,000
Offer B	\$12,500	100,000
Offer C	\$10,000	80,000
Offer D	\$7,500	60,000
Offer E	\$5,000	40,000
Offer F	\$2,500	20,000

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 5pm (WST) on 5 May 2014**. If the exact amount of money is not tendered with your application, Centaurus reserves the right to either:

- (i) return your Application Form and/or payment and not issue any Shares to you; or
- (ii) issue to you the number of Shares that would have been issued had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).



Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject, or scale back, on an equitable basis, any application. Shares issued under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$2.0 million. However, should demand exceed this amount, the Directors reserve the right to accept over subscriptions or to scale back applications in their absolute discretion, subject to the limits imposed by ASIC policy and ASX Listing Rule 7.2.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was \$0.135. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date any Shares are issued to you as a result of your acceptance of this Offer. This means the subscription price you pay for the Shares may exceed the market price of the Shares at the date of issue of Shares under this Offer. The Board recommends you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Shortfall Placement

If less than the maximum number of Shares available for subscription pursuant to this Offer are applied for, the shortfall may be placed at the discretion of the Directors.

Indicative Timetable

Record Date (5.00pm WST)	3 April 2014
Announcement Date of Plan	4 April 2014
Opening Date of Offer	14 April 2014
Closing Date of Offer	5 May 2014
Dispatch Date for Holding Statements	13 May 2014
Quotation of Shares on ASX	14 May 2014

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, Shareholders are encouraged to submit their Application Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact Centaurus' Company Secretary, Mr Geoff James, on +618 9420 4000 or email, office@centaurus.com.au.

Yours faithfully,

CENTAURUS METALS LIMITED

Geoff James

Company Secretary

CENTAURUS METALS LIMITED ACN 009 468 099

TERMS AND CONDITIONS OF SHAREHOLDER SHARE PURCHASE PLAN

Purpose

The purpose of the Shareholder Share Purchase Plan (**Plan**) is to offer holders of fully paid ordinary shares (**Shares**) of Centaurus Metals Limited (**Centaurus** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Centaurus Shares**) up to a maximum of \$15,000 (when combined with any Shares issued under any share purchase plan in the 12 months preceding the date of the Plan) without the need to pay brokerage costs and without the need for Centaurus to issue a Prospectus, upon such terms and conditions as the Board of Directors of Centaurus, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Eligible shareholders of Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for Shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible Shareholders may not transfer their rights to any Centaurus Shares offered under the Plan).

An offer may, at the discretion of the Directors of Centaurus, be made under the Plan once a year. The maximum amount, which any Shareholder may subscribe for in any consecutive 12 month period, is \$15,000. The Directors of Centaurus may also determine in their discretion the minimum amount for participation, the multiple of Centaurus Shares to be offered under the Plan and the period the offer is available to eligible Shareholders.

Price of Centaurus Shares

The price of Centaurus Shares to be issued under the Plan will be \$0.125 per Share. This is the same issue price as that paid by investors under the placement announced on 4 April 2014. The issue price of the offer represents a discount of 7.4% to the closing price of \$0.135 per Share on 31 March 2014 (being the last trading day prior to the announcement of the offer) and a 11.9% discount to the fifteen day volume weighted average trading price of Shares prior to the announcement of the offer.

The market price of Shares in Centaurus may rise or fall between the date of this offer and the date the Shares are issued. This means the subscription price for the Shares may exceed the market price of the Shares at the date of issue of the Shares under this offer. We recommend you obtain your own financial advice in relation to this offer and consider price movements of Shares in Centaurus prior to accepting this offer.

Applications and Notices

At the discretion of the Directors of the Company, Centaurus will send eligible Shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Centaurus Shares under the Plan, and accompanied by the terms and conditions of the Plan and an application form.

Applications will not be accepted after the closing date of an offer. Directors have the right to accept over subscriptions or to scale back and refund applications in their absolute discretion (subject to the limits imposed by ASIC policy and ASX Listing Rule 7.2).

Notices and statements made by Centaurus to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the offer may be placed at the discretion of the Directors.

Issue of Centaurus Shares

Centaurus Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of Centaurus in the relevant offer.

Centaurus Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Centaurus from the date of issue.

Shareholding statements or CHES notification will be issued for all Centaurus Shares issued under the Plan. The Company will, promptly after the issue of Centaurus Shares under the Plan, make application for those Centaurus Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

Centaurus may modify or terminate the Plan at any time. Centaurus will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Centaurus may issue to any person fewer Centaurus Shares than the person applied for under the Plan if the issue of the Centaurus Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

Centaurus may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Centaurus Shares. The decision of Centaurus in this respect will be conclusive and binding on all Shareholders and other persons to whom that determination relates.

Centaurus reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Centaurus under these conditions may be exercised by the Directors of Centaurus or any delegate of the Directors of Centaurus.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this offer, please contact your stockbroker or professional adviser or Mr Geoff James, Company Secretary on (08) 9420 4000.

Record Date: 5pm (WST) on 3 April 2014
Offer Opens: 14 April 2014
Offer Closes: 5pm (WST) on 5 May 2014
HIN/SRN:

THIS IS A PERSONALISED APPLICATION FORM FOR THE SOLE USE OF THE SHAREHOLDER AND HOLDING RECORDED ABOVE
SHARE PURCHASE PLAN ("SPP") APPLICATION FORM

How do I apply for Shares under the SPP?

- Carefully read the SPP Terms and Conditions accompanying this form and the Important Information on the reverse of this form.
- Decide on the amount of Shares you wish to apply for.
- Pay for the Shares in accordance with the instructions outlined in the SPP Terms and Conditions and the further instructions on this form.
 - Option 1: Paying by Bpay®.
 - Option 2: Paying by Cheque, Bank Draft or Money Order.
- Payments must be made in Australian dollars.

PAYMENT OPTIONS

Option 1: Paying by Bpay®

If paying by Bpay®, you do NOT need to complete or return this Application Form. By paying by Bpay® you will be deemed to have made the statements and certifications that are set out in the Important Information notice on the reverse of this form.

Payment must be received by the Registry by Bpay® by 5:00pm (WST) on 5 May 2014. By paying by Bpay®, you will be deemed to have completed an Application Form for the number of SPP Shares the subject of your application payment. If you make a payment by Bpay® and Centaurus Metals Limited (CTM) receives an amount which is not equal to either A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, CTM may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,500.



Bill Code:
Ref No:

Telephone & Internet Banking – Bpay®

Contact your bank or financial institution to make this payment from your cheque, savings, debit or transaction account.

More info: www.bpay.com.au

® Registered to Bpay Pty Ltd ABN 69 079 137 518

Option 2: Paying by Cheque, Bank Draft or Money Order

If paying by cheque, bank draft or money order, complete and return this Application Form with your payment.

- Tick the box beside the amount you wish to apply for, either A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000.
- Enter your cheque, bank draft or money order details. The amount of your application payment should be equal to the amount applied for in section A. Cheques, bank drafts or money orders must be drawn on an Australian financial institution in Australian currency, made payable to "Centaurus Metals Limited - SPP Account" and crossed "Not Negotiable". Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. If you provide a cheque, bank draft or money order for an amount that is not equal to either A\$2,500, A\$5,000, A\$7,500, A\$10,000, A\$12,500 or A\$15,000, CTM may round down the dollar amount of Shares that you are applying for to the next lowest parcel at their discretion. Your payment must be for a minimum of A\$2,500.
- Enter your contact telephone number at which we may contact you regarding your application for Shares, if necessary.

A I/we wish to purchase a parcel of Shares to the dollar amount of (tick one box only):

A\$15,000 OR
 A\$12,500 OR
 A\$10,000 OR
 A\$7,500 OR
 A\$5,000 OR
 A\$2,500

B Make your cheque, bank draft or money order payable to "Centaurus Metals Limited - SPP Account" and crossed "Not Negotiable"

Drawer	Cheque Number	BSB Number	Account Number	Amount of Cheque
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	A\$ <input type="text"/> .00

C

Telephone Number – Business Hours	Telephone Number – After Hours	Contact Name
() <input type="text"/>	() <input type="text"/>	<input type="text"/>

IMPORTANT INFORMATION

1. This is an important document which requires your immediate attention. If you are in any doubt as to how to deal with this Application Form, please consult a professional adviser.
2. If you do not wish to purchase Shares under the SPP, there is no need to take action.
3. Please ensure you have read and understood the SPP Terms and Conditions and this Important Information, before you make the application payment by Bpay[®] or you submit this Application Form with your application payment.
4. This SPP is non-renounceable. Applications can only be accepted in the name printed on this Application Form.
5. If you are a custodian, trustee or nominee within the definition of "custodian" in ASIC Class Order [CO 09/425] you must complete and submit an additional Certificate in accordance with section 9 of CO 09/425 before your application for Shares on behalf of Eligible Beneficiaries is accepted. The Certificate can be obtained by contacting the Registry: (08) 9389 8033 (in Australia) or +61 8 9389 8033 (outside of Australia). Applications received from custodians that are not accompanied by the Certificate will be rejected.
6. For applicants that are not required to complete the Certificate, by submitting this Application Form (with a cheque, bank draft or money order) or making payment by Bpay[®], **you certify** that the aggregate of the payment made by you for:
 - the parcel of Shares indicated on this Application Form or Bpay[®] payment; and
 - any other Shares applied for by you, or which you have instructed a Custodian to acquire on your behalf under the SPP or any other similar arrangement in the 12 months prior to the date of submission of this Application Form or payment by Bpay[®] does not exceed A\$15,000.
7. CTM reserves the right to make amendments to this Application Form where appropriate.
8. Applicants are not assured of receiving the Shares for which they have applied as CTM may scale back applications in accordance with the SPP Terms and Conditions.

How to Lodge your Application Form and Payment

Your Application Form and the payment for Shares must be received by the Registry no later than the closing date shown overleaf. If paying by Bpay[®] you do not need to complete or return your Application Form. You should check the processing cut off-time for Bpay[®] transactions with your bank, credit union or building society to ensure your payment will be received by the Registry by the close of the offer.

Mailing Address

Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

or

Hand Delivery

Advanced Share Registry Limited
150 Stirling Hwy
Nedlands WA 6009

Make sure you send your Application Form and application payment allowing enough time for mail delivery, so Advanced Share Registry Services Limited receives them no later than 5:00pm (WST) on 5 May 2014. Please ensure sufficient cleared funds are held in your account, as your cheque will be banked as soon as it is received. CTM reserves the right not to process any Application Forms and application payments received after the Closing Date.

If you require information on how to complete this Application Form, please contact the Registry on (08) 9389 8033 (in Australia) or +618 9389 8033 (outside of Australia).

Offer Closes 5.00pm (WST) 5 May 2014