

12 July 2017

## CENTAURUS ANNOUNCES \$2.5 MILLION RIGHTS ISSUE TO ADVANCE KEY BRAZILIAN GOLD AND COPPER PROJECTS

*Proceeds of partially underwritten issue to be used to fast-track current drilling program at Serra Misteriosa Gold Project and advance copper-gold targets at the recently granted Salobo West Project*

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### KEY POINTS

- Centaurus to undertake 5-for-9 renounceable rights issue to raise up to \$2.5M at \$0.004 per share (“Rights Issue”).
- The Rights Issue has been attractively priced for the benefit of existing shareholders at a discount of 47% to the 3-month VWAP of \$0.0076 and a 33% discount to the last closing price of \$0.006.
- For every new share subscribed for, shareholders will receive one free option with an exercise price of \$0.01 and an expiry date of 31 August 2019. The Company intends to seek quotation for the options.
- All Centaurus Directors to participate in the Rights Issue.
- The Rights Issue is partially underwritten by CPS Capital to \$1.25M.
- Funds to be used to continue exploration at the Company’s Serra Misteriosa Gold Project, where the Company’s maiden diamond drilling program is currently underway, and to commence work on the recently granted and well-located Salobo West Copper-Gold Project in Northern Brazil.
- Shareholders can take up their rights, renounce them or apply for additional shares and attaching options.
- Rights expected to start trading from 19 July 2017.

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Centaurus Metals Limited (ASX Code: CTM) (“Centaurus” or “Company”) is pleased to announce a partially underwritten renounceable rights issue to raise up to approximately \$2.5 million (before costs) (“Rights Issue”) to advance exploration of its portfolio of gold and copper projects in Brazil, including the ongoing drilling program at the **Serra Misteriosa Gold Project** and initial exploration of the highly prospective and well located **Salobo West Copper-Gold Project** in northern Brazil.

The Rights Issue has been designed to provide existing shareholders with the opportunity to participate in the Company’s capital raising on attractive terms. The ex-date for the Rights Issue is 19 July 2017 and any shares bought prior to this date will be entitled to participate. The Rights Issue is renounceable and shareholders are expected to be able to trade their rights from 19 July 2017.

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# AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



Under the Rights Issue, eligible shareholders will be able to subscribe for 5 new shares for every 9 existing shares they hold at an issue price of \$0.004 per share, as well as receiving one free attaching option for every new share subscribed for with an exercise price of \$0.01 and an expiry date of 31 August 2019. The offer price represents a 47% discount to the 3-month volume weighted average price (VWAP) of Centaurus shares and a 33% discount to the last closing price.

Shareholders will be given the opportunity to apply for additional shares and attaching options in excess of their entitlement, however allocations cannot be guaranteed. As a result of the Rights Issue being renounceable, shareholders will be able to guarantee an increase to their entitlements by purchasing additional rights.

The Rights Issue is partially underwritten to \$1.25 million by Perth-based CPS Capital, which will act as Lead Manager and Underwriter to the issue and will also act as nominee on behalf of foreign (ineligible) shareholders. Shareholders on the record date with a registered address in Australia and New Zealand will be eligible to participate in the Rights Issue.

Directors have indicated that they intend to participate by taking up some or all of their entitlement under the Rights Issue, demonstrating their confidence in the prospectivity and potential of the Company's gold and copper-gold projects in Brazil.

## Use of Funds

The funds to be raised from the Rights Issue will be used to:

- continue the active drilling program at the Serra Misteriosa Gold Project, including the mobilisation of a second rig to increase the drilling rate;
- commence exploration activities on the highly prospective and well-located Salobo West Copper-Gold Project and other tenements within the broader tenement package in Pará, Northern Brazil;
- provide general working capital, including the costs of marketing the Jambreiro Iron Ore Project for joint venture or divestment; and
- meet the costs of the Rights Issue.

The Serra Misteriosa Gold Project hosts a continuous 5.0km long, high-grade gold-in-soils anomaly (+50ppb Au) within a broader +10km long gold geochemical anomaly that is up to 500m wide. Diamond drilling commenced in May 2017 and this program is ongoing. Initial results from the eastern limit of the target indicate the presence of a large mineralised system with gold mineralisation having already been identified. With improved access, the Company is set to commence drilling in the central part of the target and is planning to bring a second rig to site to increase the drilling rate.

The Salobo West Copper-Gold Project is located just 12km along strike from Vale's giant Salobo copper-gold mine (1.2Bt @ 0.63% Cu and 0.4g/t Au)<sup>1</sup> and displays similar geophysical characteristics in the same geological context. The recent grant of the Company's tenure at Salobo West earlier than originally anticipated has now provided the opportunity to commence exploration activities and test this high priority project area.

The broader tenement package in Pará, northern Brazil is prospective for gold and copper with historical exploration work now being reviewed to assess the next phase of work required.

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<sup>1</sup> For additional information on the Salobo Ore Reserves and Mineral Resources please refer to [www.vale.com](http://www.vale.com)

# AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



## Management Comment

Centaurus' Managing Director, Mr Darren Gordon, said the capital raising had been structured to provide existing shareholders with the opportunity to participate on attractive terms.

"The funds raised will allow us to step up drilling activities at Serra Misteriosa, where we have been very encouraged by the early results," he said. "We are keen to accelerate drilling here while also commencing ground-based exploration activities at the recently secured Salobo West Project – which we believe represents a world-class exploration opportunity for our shareholders."

"At Serra Misteriosa, the additional funds raised will enable us to bring in a second rig and fast-track the evaluation of this significant project area. At Salobo West, the fact that we secured the grant of these tenements earlier than anticipated has meant that we now have a second project in northern Brazil that commands immediate attention, given it is located just 12km along strike to the west of the massive Salobo Copper-Gold Mine.

"I would like to take this opportunity to thank shareholders for their support, and also to acknowledge the continued support of CPS Capital in partially underwriting this important capital raising for the Company."

## Prospectus & Appendix 3B

The Company is expecting to lodge a Prospectus with the Australian Securities and Investment Commission on 13 July 2017, which sets out the material information relating to the Rights Issue. A copy of the Prospectus, inclusive of the Rights Issue timetable will be released to ASX. The Prospectus, together with an entitlement and acceptance form, will be despatched to eligible shareholders in accordance with the timetable.

The Appendix 3B in respect of the Rights Issue has been released to ASX today.

## Timetable

It is proposed that the Rights Issue will be undertaken pursuant to the following indicative timetable:

Announce Rights Issue and lodgement of Appendix 3B with ASX	12 July 2017
Lodgement of the Prospectus with ASIC and ASX	13 July 2017
Notice of Rights Issue sent to Optionholders	13 July 2017
Notice of Rights Issue sent to Shareholders	18 July 2017
Ex-Date for Rights Issue	19 July 2017
Rights trading commences	19 July 2017
Record Date	20 July 2017
Prospectus despatched to Shareholders/Opening Date	21 July 2017
Rights trading ends	28 July 2017
Deferred settlement trading commences	31 July 2017
Closing Date	4 August 2017
Notify ASX of Shortfall and Residual Securities	7 August 2017
Issue date – Deferred settlement trading ends	10 August 2017
Commencement of trading of New Shares	11 August 2017
Last date to issue Residual Securities	4 November 2017

The timetable is indicative only and subject to change. The Company reserves the right, in conjunction with CPS Capital, the Corporations Act 2001 (Cth) and the ASX Listing Rules, to amend this indicative timetable.

# AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



## **End of Trading Halt**

This announcement brings to an end the Company's current Trading Halt.

**-ENDS-**

### **Released by:**

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### **On behalf of:**

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## **Competent Person Statement**

*The information in this report that relates to Exploration Results is based on information compiled by Roger Fitzhardinge who is a Member of the Australasian Institute of Mining and Metallurgy. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited. Roger Fitzhardinge has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Roger Fitzhardinge consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*