

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

For a General Meeting to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Thursday 10 December 2015 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 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 GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that a General Meeting of Shareholders of Centaurus Metals Limited ("**Centaurus Metals**" or the "**Company**") will be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Thursday 10 December 2015 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**

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**Resolution 1 – Approval to Issue Shares to Terrativa**

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

*"That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 46,501,476 fully paid ordinary shares (**Terrativa Shares**) in the capital of the Company, to Terrativa Minerais SA (or their nominee), as consideration for the acquisition of a number of exploration properties in Brazil, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice of Meeting."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution 1 by Terrativa Minerais SA and its associates, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 1 is passed, and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a 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 person chairing the Meeting 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.

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**Resolution 2 - Ratification of KMP Share Issue**

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

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 679,207 fully paid ordinary shares (**KMP Shares**) in the capital of the Company, on the terms and conditions set out in the Explanatory Memorandum accompanying this Notice."*

**Voting Exclusion**

The Company will disregard any votes cast on this Resolution 2 by any person who participated in the issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if Resolution 2 is passed, and any of their associates. However, the Company need not disregard a vote if:

- (a) it is cast by a 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 person chairing the Meeting 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.

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The Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that the persons eligible to vote at the Meeting are those who are registered as Shareholders of the Company at 5pm (WST) on 8 December 2015.

**BY ORDER OF THE BOARD**

A handwritten signature in black ink that reads "G.A. James". The signature is written in a cursive style with a large, looped 'G' and 'J'.

**Geoff James**  
Company Secretary  
5 November 2015

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

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**INTRODUCTION**

This Explanatory Memorandum has been prepared for the information of Shareholders of Centaurus Metals Limited (“**Centaurus**” or the “**Company**”) in connection with the business to be conducted at the General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Thursday 10 December 2015 commencing at 10am (WST).

This Explanatory Memorandum should be read in conjunction with the accompanying Notice of Meeting.

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**1. RESOLUTION 1 - Approval to Issue Shares to Terrativa**

**1.1 Background**

On 6 October 2015, the Company agreed to amend the terms of the previous Option Agreement with Terrativa Minerais SA (**Terrativa**) over the Conquista Iron Ore Project and Mombuca Gold Project such that the option over the respective tenements could be exercised via the issue of Shares in Centaurus rather than having to make the option payments in cash. Further, on 4 November 2015 the Company executed formal documentation in respect to the acquisition of the Aurora Copper Project in North-east Brazil with Terrativa which provided that the initial acquisition payment would be made via an issue of Shares in Centaurus rather than a direct cash outlay.

The various negotiations were structured under a Strategic Alliance with Terrativa, such that Centaurus could look to extract a number of other benefits from the transactions (if they were concluded).

These other benefits under the Strategic Alliance included:

- Centaurus being provided access to Terrativa’s preferred drilling rates in Brazil.
- Terrativa and Centaurus investigating ways, on a best endeavours basis, to reduce the fixed overheads of each company by exploring possible synergies in the technical, financial and administrative areas of the respective businesses.
- Centaurus to have first opportunity to review any other base metal or gold projects Terrativa offers for sale or joint venture in Brazil.
- The President of Terrativa to personally invest new capital into Centaurus in the amount of \$200,000 (**Share Placement**) in conjunction with a broader equity raise that also includes a fully underwritten Share Purchase Plan to raise a minimum of \$350,000 (**SPP**). The Share Placement and SPP were announced to the market on 4 November 2015.

The Strategic Alliance was based upon the strength of the relationship between the two parties in Brazil and Centaurus’ desire to add value for its Shareholders without having to use its limited cash reserves to facilitate the acquisitions. The Company and Terrativa understand the need to conserve Centaurus’ cash reserves such that it can maximize the funds available to be used on direct project expenditures. The Board considers this approach to be an appropriate and responsible measure to preserve the cash reserves for maximum project value adding activities. Full details of the execution of the Strategic Alliance were announced to the ASX on 4 November 2015.

Resolution 1 seeks Shareholder approval pursuant to Listing Rule 7.1 for the issue of the Terrativa Shares to Terrativa. The Terrativa Shares will be issued at \$0.009 per Share which represents a 30% premium over the 5 day VWAP of the Company’s Shares immediately prior to the execution of the Amendment Agreement on 6 October 2015.

The Shares will be issued within 1 month after Shareholder approval is obtained. Terrativa have agreed to enter into a 12 month voluntary escrow agreement over the Shares to be issued under this resolution.

Following the approval of Resolution 1, Terrativa will emerge with a stake of approximately 11.5%. When the Share Purchase Plan and Share Placement announced on 4 November 2015 are complete, the President of Terrativa will secure approximately a further 5.5-7.5% interest in the Company, taking the total position of Terrativa (including the President's holding) to 17-19% (post the issue of equity), to become the Company's largest Shareholder.

If approval is not received under Resolution 1, the Company will not complete the exercise of its option over the Conquista and Mombuca tenements and will transfer them back to Terrativa. Further, the Aurora Copper Project tenements will not be acquired.

### **1.2 ASX Listing Rules 7.1 and 7.1A**

Subject to certain exceptions and Listing Rule 7.1A, Listing Rule 7.1 prevents a company from issuing or agreeing to issue new securities in any 12 month period which amount to more than 15% of the Company's ordinary securities on issue without Shareholder approval.

Listing Rule 7.1A permits eligible entities, which have obtained shareholder approval by special resolution at the company's annual general meeting, to issue equity securities up to an additional 10% of its issued capital by placements over a 12 month period after the annual general meeting (**Additional Placement Capacity**).

Approval for the Additional Placement Capacity may only be obtained at the Company's annual general meeting. The Company previously received Shareholder approval for Additional Placement Capacity at the annual general meeting held on 26 May 2015.

In accordance with Listing Rule 7.3, the following information is provided to Shareholders:

- (a) the Terrativa Shares are to be issued to Terrativa Minerais SA (or their nominee). Terrativa is a private Brazilian exploration Company with extensive tenement holdings in Brazil for a number of commodities;
- (b) the number of Shares to be issued to Terrativa is 46,501,476 fully paid ordinary shares;
- (c) the Shares will be issued within 1 month of obtaining Shareholder approval;
- (d) the issue price of the Terrativa Shares will be \$0.009 per Share, being equal to a 30% premium to the 5 day VWAP of the Company's Shares immediately before execution of the Amendment Agreement with Terrativa on 6 October 2015;
- (e) the Terrativa Shares will be issued on the same terms and conditions as the Company's existing Shares;
- (f) no funds will be raised from the issue of the Terrativa Shares; and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 1.

### **1.3 Directors' Recommendation**

The Directors recommend that Shareholders vote in favour of Resolution 1.

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## **2. RESOLUTION 2 - Ratification of KMP Share Issue**

### **2.1 Background**

The KMP Shares the subject of Resolution 2 were issued on 2 November 2015, in accordance with Listing Rule 7.1. Resolution 2 seeks Shareholder ratification of the issue of the KMP Shares.

### **2.2 ASX Listing Rules 7.1 & 7.4**

The requirements of Listing Rules 7.1 and 7.1A are set out above at section 1.2.

### **2.3 ASX Listing Rule 7.4**

Listing Rule 7.4 permits the ratification of previous issues of securities made without prior shareholder approval under Listing Rules 7.1 and 7.1A provided the issue did not breach the Listing Rules. The effect of such ratification is to restore a company's maximum discretionary power to issue further securities up to the limits imposed by Listing Rules 7.1 and 7.1A. The Company confirms the issue of the KMP Shares the subject of Resolution 2 did not breach Listing Rules 7.1 and 7.1A.

The Company wishes to ratify the issue of the KMP Shares the subject of Resolution 2 pursuant to Listing Rule 7.4, in order to allow the Company to have the right to place up to a further 25% of its issued capital under Listing Rules 7.1 and 7.1A.

The following information is provided to Shareholders for the purposes of Listing Rule 7.5:

- (a) 679,207 KMP Shares were issued on 2 November 2015;
- (b) the KMP Shares were issued at a price of \$0.00758 each;
- (c) the KMP Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (d) the allottee to whom the KMP Shares were issued is a senior manager of the Company. The allottee is not a related party of the Company or its associates;
- (e) the KMP Shares were issued to the employee in lieu of cash salary remuneration; and
- (f) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 2.

#### **2.4 Directors' Recommendation**

If Resolution 2 is passed, the 25% limit imposed by Listing Rules 7.1 and 7.1A will be renewed to the extent of the ratification. The Directors unanimously recommend Shareholders vote in favour of Resolution 2.

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#### **GLOSSARY**

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

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

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

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

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

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

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

**Explanatory Memorandum** means this explanatory memorandum.

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

**Listing Rules** means the listing rules of the ASX.

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

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

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

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

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

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

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

**WST** means Western Standard Time.

PROXY FORM

The Company Secretary, Centaurus Metals Limited

**By delivery:**  
Level 3, 10 Outram Street  
West Perth WA 6005

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

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

SEQ: 0000000000

I/We being a 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, Level 8, 235 St Georges, Perth, Western Australia on Thursday 10 December 2015 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 2 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 2. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in relation to Resolution 2 even though this Resolution is connected directly or indirectly with the remuneration of key management personnel and the Chairman has 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	Approval to Issue Shares to Terrativa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2	Ratification of KMP Share Issue	<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

Shareholder 2

Shareholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

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

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

\_\_\_\_\_  
Date

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

**Instructions for Completing Proxy Form**

1. **Appointing a Proxy:** A Shareholder entitled to attend and vote at the 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 Regulation the Company determines that Shareholders holding Shares at 8 December 2015 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) post to Centaurus Metals Limited, PO Box 975, West Perth, WA 6872; or
- (b) deliver to the West Perth office of the Company, Level 3, 10 Outram Street, West Perth;
- (c) email to [office@centaurus.com.au](mailto:office@centaurus.com.au) or
- (d) facsimile to the Company on facsimile number +61 8 9420 4040.

so that it is received not later than 10am (WST) on 8 December 2015.

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