

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

For the Annual General Meeting to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Tuesday 31 May 2016 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 ("**Centaurus Metals**" or the "**Company**") will be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on Tuesday 31 May 2016 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 2015 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.

RESOLUTION 1 - ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass the following non-binding 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."

Note: 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:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) 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 the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

RESOLUTION 2 – 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, who was appointed as an additional Director by the Board of Directors on 3 September 2015 under Rule 50.1 of the Constitution and ceases to hold office in accordance with Rule 50.2 of the Constitution and being eligible, offers himself for election, be elected as a Director."

RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MARK HANCOCK

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

"That Mr Mark Hancock, a Director who retires by rotation in accordance with Rule 51.2 of the Constitution and, being eligible, offers himself for re-election, be re-elected as a Director."

SPECIAL BUSINESS

RESOLUTION 4 - RATIFICATION OF SHARE PLACEMENT

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 33,898,305 fully paid ordinary shares ("Placement 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 by any person who participated in the issue and 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 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.

RESOLUTION 5 - RATIFICATION OF EMPLOYEE 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 2,076,349 fully paid ordinary shares ("Employee 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 by any person who participated in the issue and 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 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.

RESOLUTION 6 – APPROVAL OF 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 on the terms and conditions in the Explanatory Statement."

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a person (and any associates of such a person) who may participate in the 10% Placement Facility and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of Shares, if this Resolution is passed. 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 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.

RESOLUTION 7 – 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 ("**Plan**") be amended such that the rules annexed to this Notice will form the rules of the Plan from the date of this Meeting and that approval is given for the purposes of Listing Rule 7.2 Exception 9 (and for all other purposes) for the issue of options under the Company's Employee Share Option Plan (as amended by this Resolution) as an exception to Rule 7.1 of the Listing Rules for a period of 3 years from the date of this Meeting.”*

Voting Exclusion: The Company will disregard any votes cast on this Resolution by 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 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.

RESOLUTION 8 – APPROVE ISSUE OF OPTIONS TO MR DARREN GORDON

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

That for the purposes of Listing Rule 10.11 and Section 208(1) of the Corporations Act and for all other purposes, the Company approves and authorises the issue of 8,000,000 options to subscribe for fully paid ordinary shares in the Company to Mr Darren Gordon (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 on this resolution by Mr Darren Gordon (or his nominee) or any of his 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 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.

RESOLUTION 9 – APPROVE ISSUE OF OPTIONS TO MR BRUNO SCARPELLI

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

That, subject to the passing of Resolution 2, for the purposes of Listing Rule 10.11 and Section 208(1) of the Corporations Act and for all other purposes, the Company approves and authorises the issue of 4,000,000 options to subscribe for fully paid ordinary shares in the Company to Mr Bruno Scarpelli (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 on this resolution by Mr Bruno Scarpelli (or his nominee) or any of his 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 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.

RESOLUTION 10 – APPROVE ISSUE OF OPTIONS TO MR DIDIER MURCIA

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

That for the purposes of Listing Rule 10.11 and Section 208(1) of the Corporations Act and for all other purposes, the Company approves and authorises the issue of 2,500,000 options to subscribe for fully paid ordinary shares in the Company to Mr Didier Murcia (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 on this resolution by Mr Didier Murcia (or his nominee) or any of his 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 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.

RESOLUTION 11 – APPROVE ISSUE OF OPTIONS TO MR MARK HANCOCK

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

That, subject to the passing of Resolution 3, for the purposes of Listing Rule 10.11 and Section 208(1) of the Corporations Act and for all other purposes, the Company approves and authorises the issue of 2,000,000 options to subscribe for fully paid ordinary shares in the Company to Mr Mark Hancock (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 on this resolution by Mr Mark Hancock (or his nominee) or any of his 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 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 2016.

BY ORDER OF THE BOARD



Geoff James
Company Secretary
12 April 2016

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 (“**Centaurus**” or the “**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 Tuesday 31 May 2016 commencing at 10am (WST).

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

FINANCIAL REPORT (no resolution required)

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 2015, has been sent to all Shareholders who requested it. The Annual Report is available on the Company’s website at www.centaurus.com.au.

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

Pursuant to the Corporations Act, the Company is required to put the Remuneration Report to the vote of Shareholders. The Annual Financial Report for the year ended 31 December 2015 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. 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 per cent or more at two consecutive Annual General Meetings, a resolution must then be put to the Shareholders at the second Annual General Meeting 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 (“**Spill Resolution**”). 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, the votes cast against the Remuneration Report were less than 25%.

The Chair will allow a reasonable opportunity 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 – ELECTION OF DIRECTOR – MR BRUNO SCARPELLI

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 Bruno Scarpelli was appointed as an executive Director on 3 September 2015.

Accordingly, Mr Scarpelli offers himself for election as a Director at the Annual General Meeting.

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.

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

The Board (other than Mr Scarpelli) supports and recommends that Shareholders vote in favour of the election of Mr Scarpelli.

3. RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR MARK HANCOCK

In accordance with Rule 51.1 of the Constitution, an election of Directors shall take place each year. According to 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 have 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.

Accordingly, Mr Hancock retires and being eligible for re-election, offers himself for re-election as a Director at the Annual General Meeting.

Mr Hancock has been a non-executive Director since 23 September 2011. Mr Hancock is a Chartered Accountant with over 20 years experience in senior financial roles across a number of leading companies in Australia and South East Asia, including Lend Lease Corporation Ltd, Woodside Petroleum Ltd and Premier Oil Plc.

Mr Hancock is currently the Chief Financial Officer at Atlas Iron Limited.

The Board (other than Mr Hancock) supports and recommends that Shareholders vote in favour of the re-election of Mr Hancock.

4. RESOLUTION 4 – RATIFICATION OF SHARE PLACEMENT

4.1 Background

The Placement Shares the subject of Resolution 4 were issued in accordance with Listing Rule 7.1A. Resolution 4 seeks Shareholder ratification of the issue of the Placement Shares.

4.2 ASX Listing Rules 7.1 & 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, or other securities with rights of conversion to equity (such as an option), 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 (**10% Placement Capacity**).

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 annual general meeting held on 26 May 2015.

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 Rules 7.1 and 7.1A 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 limits imposed by Listing Rules 7.1 and 7.1A. The Company confirms the issue of the Placement Shares the subject of Resolution 4 did not breach Listing Rules 7.1 and 7.1A.

The Company wishes to ratify the issue of the Placement 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 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) on 30 November 2015 the Company issued 33,898,305 fully paid ordinary shares (Placement Shares);
- (b) the Placement Shares were issued for \$0.0059 each, raising a total of \$200,000 (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 allottee to whom the Placement Shares were issued was Tavarua International Inc;
- (e) the Placement Shares were issued to fund the Company's ongoing exploration activities in Brazil; 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 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 4.

5. RESOLUTION 5 – RATIFICATION OF EMPLOYEE SHARE ISSUE

5.1 Background

The Employee Shares the subject of Resolution 5 were issued in accordance with Listing Rule 7.1. The requirements of Listing Rule 7.1 are set out above at section 4.2. Resolution 5 seeks Shareholder ratification of the issue of the Employee Shares.

5.2 ASX Listing Rule 7.4

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

The Company wishes to ratify the issue of the Employee Shares the subject of Resolution 5 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) The details of the Employee Shares issued are set out in the table below;

Date of Issue	Number of Shares Issued	Issue Price Per Share
4 January 2016	987,778	\$0.0054
1 March 2016	1,088,571	\$0.0049
Total	2,076,349	

- (b) the Employee Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (c) the allottee to whom the Employee Shares were issued is a senior manager of the Company. The allottee is not a related party of the Company or its associates;
- (d) the Employee Shares were issued in lieu of cash salary remuneration; and
- (e) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 5.

5.3 Directors' Recommendation

If Resolution 5 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 5.

6. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT FACILITY

6.1 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 previous annual general meeting held on 26 May 2015 and this approval will expire on 26 May 2016 (or earlier if Shareholders approve a transaction under Listing Rule 11.1.2 or Listing Rule 11.2).

The Company is now seeking 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 6.2 below).

6.2 Requirements of 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.

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 two classes of Equity Securities quoted on the ASX being fully paid ordinary shares and options having an exercise price of \$0.05 per option, expiring 31 March 2017.

Formula for calculating 10% Placement Facility

If Resolution 6 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:

$$(A \times D) - E$$

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. <i>Note that "A" has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.</i>
D	10%
E	The number of Equity Securities issued or agreed to be issued under 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 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 526,653,912 Shares on issue as at the date of this Notice. If all of the Resolutions in this Notice are passed, the Company will be permitted to issue (as at the date of this Notice):

- Equity Securities under Listing Rule 7.1; and
- 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 6 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.

6.3 Information for Shareholders as required by Listing Rule 7.3A

Minimum price

The issue price of the new Equity Securities will be no lower than 75% of the VWAP for securities in the relevant quoted class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- the date on which the price of the Equity Securities are to be issued is agreed; or
- if the Equity Securities are not issued within 5 trading days of the date above, the date on which the Equity Securities are issued.

Risk of economic and voting dilution

If Resolution 6 is passed and the Company issues 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 or the new Equity Securities may be issued as part of the consideration for the acquisition of a new asset,

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.

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 by Shareholders in the future; and
- two examples of 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	\$0.009 50% increase in Issue Price
Current Variable A 490,679,258 Shares	10% Voting Dilution	49,067,926 Shares	49,067,926 Shares	49,067,926 Shares
	Funds Raised	\$147,204	\$294,408	\$441,611
50% Increase in Variable A 736,018,887 Shares	10% Voting Dilution	73,601,889 Shares	73,601,889 Shares	73,601,889 Shares
	Funds Raised	\$220,806	\$441,611	\$662,417
100% Increase in Variable A 981,358,516 Shares	10% Voting Dilution	98,135,852 Shares	98,135,852 Shares	98,135,852 Shares
	Funds Raised	\$294,408	\$588,815	\$883,223

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 or Performance Rights (including any Options or Performance Rights 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 or Performance Rights, it is assumed that those Options or Performance Rights 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 12 April 2016.
- The Company's ability to issue securities under Listing Rule 7.1A is in addition to its ability to issue securities under Listing Rule 7.1.

Placement Period

The Company previously received Shareholder approval for the 10% Placement Facility at the Annual General Meeting held on 26 May 2015. 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 2016 and expires on the earlier of:

- 31 May 2017, 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 the ASX ("Placement Period").

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 acquisition), 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 acquisition), 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.

Allocation policy

The Company's allocation policy for the issue of new Equity Securities under the 10% Placement Facility will depend on the market conditions existing 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 it is likely that the allottees will be the vendors of the new assets.

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

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

During the past 12 months prior to the date of the Annual General Meeting, and assuming no further issue of securities between the date of this Notice and the date of the Annual General Meeting, the Company issued 271,124,067 Equity Securities representing 92.7% of the total number of Equity Securities on issue 12 months ago, being 31 May 2015. The following table sets out the details of the Equity Securities issued:

Issue Date	Number of Equity Securities Issued	Class of Equity Securities Issued	Names of Persons to Whom Issued Equity Securities	Issue Price	Closing Market Price at Issue Date	Discount to Closing Market Price on Issue Date	Cash Consideration
30/04/2015	2,681,818	Ordinary Shares	Note (i)	\$0.011	\$0.011	nil	Note (i)
01/05/2015	4,333	Ordinary Shares	Note (ii)	\$0.050	\$0.012	Premium	\$217
28/05/2015	2,400,000	Ordinary Shares	Note (iii)	\$0.025	\$0.010	Premium	\$60,000
28/05/2015	12,733,326	Listed Options	Note (iii)	nil	N/A	N/A	nil
03/06/2015	6,000,000	Ordinary Shares	Note (iii)	\$0.025	\$0.012	Premium	\$150,000
03/06/2015	1,999,999	Listed Options	Note (iii)	nil	N/A	N/A	nil
05/06/2015	3,000,000	Listed Options	Note (iv)	nil	N/A	N/A	nil
01/07/2015	5,757,000	Ordinary Shares	Note (v)	\$0.006	\$0.006	nil	Note (v)
13/07/2015	51,200,000	Ordinary Shares	Note (vi)	\$0.006	\$0.006	nil	\$307,200
13/07/2015	10,240,000	Unquoted Options	Note (vi)	nil	N/A	N/A	nil
01/09/2015	1,333,500	Ordinary Shares	Note (vii)	\$0.004	\$0.004	nil	Note (vii)
12/10/2015	1,333,333	Ordinary Shares	Note (viii)	\$0.006	\$0.007	14.3%	Note (viii)
02/11/2015	1,697,891	Ordinary Shares	Note (ix)	\$0.007853	\$0.008	1.8%	Note (ix)
30/11/2015	119,050,908	Ordinary Shares	Note (x)	\$0.0059	\$0.007	15.7%	\$702,400
10/12/2015	46,501,476	Ordinary Shares	Note (xi)	\$0.009	\$0.005	Premium	Note (xi)
04/01/2016	2,469,259	Ordinary Shares	Note (xii)	\$0.0054	\$0.006	10.0%	Note (xii)
01/03/2016	2,721,224	Ordinary Shares	Note (xiii)	\$0.0049	\$0.004	22.5%	Note (xiii)
TOTAL	271,124,067						

Note:

- (i) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.011 per Share, valuing the Shares issued at \$29,500. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$16,091.
- (ii) Issue of Shares on conversion of options.
- (iii) Placement to sophisticated and professional investors as announced to the ASX on 25 February 2015. The cash raised was used to fund exploration activities on the Company's projects in Brazil and for general working capital.
- (iv) Issue of options pursuant to capital raising mandate.
- (v) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.006 per Share, valuing the Shares issued at \$34,542. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$34,542.
- (vi) Placement to sophisticated and professional investors as announced to the ASX on 13 July 2015. The cash raised was used to fund exploration activities on the Company's projects in Brazil and for general working capital.
- (vii) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.004 per Share, valuing the Shares issued at \$5,334. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$8,001.
- (viii) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.006 per Share, valuing the Shares issued at \$8,000. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$8,000.
- (ix) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.007853 per Share, valuing the Shares issued at \$13,334. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$10,187.
- (x) Issue of Shares pursuant to Share Purchase Plan and share placement as announced to the ASX on 4 November 2015. The cash raised will be used to fund exploration activities on the Company's projects in Brazil and for general working capital.
- (xi) Issue of Shares pursuant to strategic alliance entered into with Terrativa Minerais SA to acquire several exploration properties in Brazil as announced to the ASX on 24 September and 4 November 2015. The deemed issue price was \$0.009 per Share representing a 30% premium over the 5 day VWAP prior to 6 October 2015, valuing the Shares issued at \$418,513. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$279,009.

- (xii) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.0054 per Share, valuing the Shares issued at \$13,334. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$14,816.
- (xiii) Issue of Shares to senior executives of the Company in lieu of cash salary remuneration. The deemed issue price was \$0.0049 per Share, valuing the Shares issued at \$13,334. The current value of the non-cash consideration, as at the date of this Notice, based on a current market price of \$0.006 per Share, is \$16,327.

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 fifteen day volume weighted average trading price.

6.4 Voting Exclusion Statement

A voting exclusion statement is included in the Notice. 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.

6.5 Directors' Recommendation

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

7. RESOLUTION 7 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

7.1 Background

The Directors of the Company have resolved to update the terms of the Employee Share Option Plan ("Plan"), a copy of which is attached. 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.

Resolution 7 seeks Shareholder approval for the purpose of Listing Rule 7.2 Exception 9, the Corporations Act and for all other purposes, including the issue of options under the Plan (and therefore the issue of shares on exercise of those options), as an exception to Listing Rule 7.1. 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 annexed to and form part of this Explanatory Memorandum.

7.2 Listing Rule 7.2 – Summary of the Plan

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

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

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

The Company has issued 3,000,000 options under the Plan since it was last approved by shareholders on 31 May 2013.

7.4 Listing Rule 7.2 – Voting Exclusion Statement

A voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 7.

7.5 Directors' Recommendation

All the Directors recommend that Shareholders vote in favour of Resolution 7.

8. RESOLUTIONS 8, 9, 10 and 11 – APPROVE ISSUE OF OPTIONS TO RELATED PARTIES

8.1 Background

Resolutions 8, 9, 10 and 11 seek Shareholder approval in accordance with Listing Rule 10.11 for the issue of Options to the Directors ("Incentive Options").

8.2 ASX Listing Rule 10.11

ASX Listing Rule 10.11 requires a listed company to obtain shareholder approval by ordinary resolution prior to the issue of any securities (including Options) to a related party of the Company.

If Resolutions 8, 9, 10 and 11 are passed, the Incentive Options will be issued to the Directors, all of whom are related parties by virtue of being directors of the Company. Accordingly, approval for the issue of Incentive Options is required pursuant to ASX Listing Rule 10.11.

Approval pursuant to ASX Listing Rule 7.1 is not required in respect of the Incentive Options as approval is being sought under ASX Listing Rule 10.11 (and where approval is given under Listing Rule 10.11, it is not separately required under Listing Rule 7.1). Shareholders should note that the issue of the Incentive Options will not be included in the 15% calculation for the purposes of ASX Listing Rule 7.1.

8.3 Technical information required by ASX Listing Rule 10.11

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided to Shareholders in relation to Resolutions 8, 9, 10 and 11:

- (a) Details of the allottees and the maximum number of Incentive Options that may be issued by the Company under each Resolution are as follows:

	Allottee	Position	Tranche 1	Tranche 2	Tranche 3	Total
Resolution 8	Mr Darren Gordon (or his nominee)	Managing Director	2,000,000	3,000,000	3,000,000	8,000,000
Resolution 9	Mr Bruno Scarpelli (or his nominee)	Executive Director	1,000,000	1,500,000	1,500,000	4,000,000
Resolution 10	Mr Didier Murcia (or his nominee)	Non-Executive Chairman	500,000	1,000,000	1,000,000	2,500,000
Resolution 11	Mr Mark Hancock (or his nominee)	Non-Executive Director	500,000	750,000	750,000	2,000,000
Total			4,000,000	6,250,000	6,250,000	16,500,000

- (b) The Incentive Options will be issued no later than one month after the date of the Annual General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated that allotment will occur on one date.
- (c) Each allottee is a Director of the Company and is therefore a Related Party of the Company.

- (d) The Incentive Options will be issued for nil consideration as they will be issued to provide an incentive for the Directors' prior and ongoing commitments and dedication to the future growth of the Company. The Board considers the issue of Incentive Options to be reasonable in the circumstances, to assist the Company in retaining the highest calibre of directors to the Company, whilst maintaining the Company's cash reserves.
- (e) Details of the exercise price, vesting and expiry dates of the Incentive Options are as follows:

Tranche	Number of Options	Exercise Price	Vesting Date	Expiry Date
1	4,000,000	Note (i)	Vest on issue date	24 months after issue date
2	6,250,000	Note (i)	Vest 12 months after issue date	36 months after issue date
3	6,250,000	Note (i)	Vest 24 months after issue date	48 months after issue date
Total	16,500,000			

Note (i): The exercise price of the Incentive Options will be equal to 130% of the 10 day VWAP of the Company's Shares immediately before the date of the Annual General Meeting.

- (f) Each Incentive Option will on exercise confer the right to acquire one ordinary share in the Company.
- (g) The Incentive Options are exercisable at any time after they vest and on or prior to their expiry date.
- (h) The Incentive Options will otherwise be issued on the terms and conditions set out in Section 8.5 below.
- (i) 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 eventually exercised. The precise amount raised in the event of exercise of the Incentive Options will depend on the number of Incentive Options eventually exercised and the exercise price for those Incentive Options.
- (j) A voting exclusion statement is included in the Notice in respect of each Resolution 8 to 11.

8.4 Chapter 2E of the Corporations Act

Pursuant to Chapter 2E of the Corporations Act, a public company cannot give a "financial benefit" to a "related party" unless one of the exceptions to that section apply or shareholders have in general meeting approved the giving of that financial benefit to the related party.

The issue of the Incentive Options to any of the Directors or their nominees constitutes a "financial benefit" as defined in the Corporations Act. Each Director is a "related party" of the Company.

It is the view of the Directors that the exceptions under the Corporations Act to the provision of financial benefits to related parties may not apply in the current circumstances and so the Directors have resolved to seek Shareholder approval under section 208 of the Corporations Act to permit the issue of the Incentive Options.

The following information is provided pursuant to sections 217 to 227 of the Corporations Act in relation to Resolutions 8, 9, 10 and 11:

- (a) The related parties to whom the Incentive Options will be issued are the Directors, being Messrs Darren Gordon, Bruno Scarpelli, Didier Murcia and Mark Hancock. The Incentive Options may be issued to a nominee of the related party. The nominee must be approved by the Board.
- (b) The maximum number of Incentive Options (being the nature of the financial benefit to be provided) to be issued to the Directors under these Resolutions is set out in section 8.3(a) above.
- (c) The Incentive Options will be issued for nil cash consideration and accordingly, no funds will be raised from the issue of the Incentive Options although, as mentioned above, funds will be raised to the extent the Incentive Options are eventually exercised. The precise amount raised in the event of exercise of the Incentive Options will depend on the number of Incentive Options eventually exercised and the exercise price for such Incentive Options.
- (d) The terms and conditions of the Incentive Options to be issued pursuant to Resolutions 8, 9, 10 and 11 are set out in section 8.5 below.
- (e) The Directors have a material personal interest in the outcome of Resolutions 8, 9, 10 and 11 as they or their nominee will be the recipient of the Incentive Options. Accordingly the Directors do not wish to provide a recommendation for the Resolutions for which they will be the recipient of Incentive Options. In relation to each of Resolutions 8 to 11, the Directors (except for the Director in each Resolution who has an interest in that particular Resolution) recommend Shareholders approve Resolutions 8, 9, 10 and 11 as they are of the view the issue of the Incentive Options is appropriate to assist the Company to retain the services and dedication of the recipient of the Options whilst maintaining the Company's cash reserves. The Directors have considered the experience of each recipient, the current market price of the Shares and current market

practice when determining the terms of the Incentive Options and the number of Incentive Options to be issued.

- (f) If Shareholders approve the issue of Incentive Options pursuant to Resolutions 8, 9, 10 and 11, and all Incentive Options are ultimately exercised, the effect will be to dilute the shareholding of existing Shareholders by approximately 3.1% on an undiluted basis and based on the number of Shares on issue (as at the date of this Notice) assuming no other Incentive Options are exercised.
- (g) The primary purpose of the issue of the Incentive Options is to allow the Company to provide a cost effective incentive for the ongoing dedication and efforts of the Directors. For the Resolutions for which the Directors do not have an interest in the outcome, the Directors do not consider there are any significant opportunity costs to the Company or benefits forgone by the Company in issuing the Incentive Options to the recipients upon the terms proposed.
- (h) As at the date of this Notice, the Directors hold the following Shares and Options (direct and indirect) and receive annual remuneration as follows:

Director	Number of Shares	Number of Options	Annual Cash Remuneration \$	Shares Based Remuneration in Lieu of Cash \$
Mr Gordon	21,248,316	2,116,666 ¹	252,000	48,000
Mr Scarpelli	-	1,000,000 ²	165,000	Nil
Mr Murcia	5,304,980	343,067 ¹	45,000	Nil
Mr Hancock	1,477,457	158,888 ¹	30,000	Nil

¹ Listed options issued pursuant to a share placement

² Unquoted employee options

- (i) In the 12 months before the date of this Notice, the highest, lowest and last trading price of Shares on the ASX are as set out below:

	Date	Price
Highest	4 May 2015	1.4 cents
Lowest	25 February 2016	0.4 cents
Last Trading Price	12 April 2016	0.6 cents

- (j) ASIC policy in relation to documents lodged under Section 218 relating to the giving of financial benefits to related parties of public companies requires explanatory information regarding the value of the Incentive Options proposed to be issued. The value of the Incentive Options has been calculated by the Company and is set out below.
- (k) Other than the information specified in this Explanatory Memorandum, the Directors are not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 8, 9, 10 and 11.

Value of Options

The Company has valued the Incentive Options using the Black - Scholes option pricing model based on the following inputs and assumptions:

- (a) Number of options is 16,500,000.
- (b) Current share price at date of valuation of 0.6 cents.
- (c) Exercise price of 0.78 cents based on 130% of the current share price at date of valuation.
- (d) Expected life of options 2-4 years.
- (e) Dividend yield is nil.
- (f) Risk-free interest rate of 1.94% (3 year Australian Government bond rate).
- (g) Share price volatility of 85%.

Having regard to the factors set out above, and using the Black - Scholes option pricing model, the value of the options proposed to be issued is \$49,084 with details set out in the following table:

Director	Tranche 1 Valuation \$	Tranche 2 Valuation \$	Tranche 3 Valuation \$	Total \$
Mr Gordon	4,696	8,835	10,217	23,748
Mr Scarpelli	2,348	4,417	5,109	11,874
Mr Murcia	1,174	2,945	3,406	7,525
Mr Hancock	1,174	2,209	2,554	5,937
Total	9,392	18,406	21,286	49,084

8.5 Terms and Conditions of the Options

The terms of issue of the Incentive Options are as follows:

- (a) Each Incentive Option entitles the holder to acquire one Share upon exercise of that Incentive Option.
- (b) The amounts payable on exercise of the Incentive Options, the vesting and expiry dates are set out in section 8.3(e) above:
- (c) On the occurrence of a change of control event to the Company all Incentive Options which have not yet vested will vest immediately on the occurrence of that event.
These events are defined as an unconditional takeover offer being made for shares in the Company, any merger transaction or scheme of arrangement recommended by the Board for the shares in the Company or a greater than 30% change in the shareholding of the Company from that which existed on 31 May 2016.
- (d) Incentive Options may be issued to a permitted nominee. A permitted nominee is a third party nominated by the Director and approved by the Board in its absolute discretion.
- (e) Incentive Options that have vested may be exercised at any time prior to expiry by completing an Incentive Option exercise form and delivering it together with the payment for the number of Shares for which the Incentive Options are exercised to the registered office of the Company.
- (f) 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 after an Incentive Option has become exercisable, the Incentive Options may be exercised during the following 3 months or such longer period as the Board determines. Incentive Options not exercised within such period will automatically lapse.
- (g) All unvested options immediately lapse if an optionholder (or if the Incentive Options are issued to a nominee, the person who nominated that nominee) ceases to be a Director or an employee, unless otherwise determined by the Board.
- (h) 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.
- (i) The optionholder will be entitled to participate in any new issue of securities to existing holders of shares in the Company provided the optionholder has exercised their Incentive Options prior to the record date for determining entitlements.
- (j) 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.
- (k) Subject to paragraph (l), 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.
- (l) 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 of the ASX.
- (m) Subject to the Corporations Act, the ASX Listing Rules and the Company's Constitution, the Incentive Options are transferable at the discretion of the Board. The Incentive Options will not be listed for quotation on the ASX.

GLOSSARY

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

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.

Chair 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 2001* (Cth).

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.

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

Explanatory Memorandum means this explanatory memorandum.

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.

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.

Option means an option to acquire one Share.

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 Company's Annual Report.

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.

APPENDIX 1

CENTAURUS METALS LIMITED ACN 009 468 099

RULES OF EMPLOYEE SHARE OPTION PLAN (adopted by the Board on 31 March 2016)

1. NAME OF PLAN

- 1.1 This Plan shall be called the Centaurus Metals Limited Employee Share Option Plan 2016.

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 7.1(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:
- (i) **three (3) months** of ceasing to be an Eligible Person; or
 - (ii) 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 2016 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 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 Annual General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges, Perth, Western Australia on Tuesday 31 May 2016 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 Resolutions 1, 8, 9, 10 and 11 relates directly or indirectly to the remuneration of key management personnel, and that the Chairman intends to vote any undirected proxies in favour of Resolutions 1, 8, 9, 10 and 11. I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in relation to Resolutions 1, 8, 9, 10 and 11 even though these Resolutions are connected directly or indirectly with the remuneration of key management personnel and the Chairman has an interest in the outcome of the Resolutions.

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	☐	☐	☐
Resolution 2	Election of Director – Mr Bruno Scarpelli	☐	☐	☐
Resolution 3	Re-Election of Director – Mr Mark Hancock	☐	☐	☐
Resolution 4	Ratification of Share Placement	☐	☐	☐
Resolution 5	Ratification of Employee Share Issue	☐	☐	☐
Resolution 6	Approval of 10% Placement Capacity	☐	☐	☐
Resolution 7	Approval of Employee Share Option Plan	☐	☐	☐
Resolution 8	Approve Issue of Options to Mr Darren Gordon	☐	☐	☐
Resolution 9	Approve Issue of Options to Mr Bruno Scarpelli	☐	☐	☐
Resolution 10	Approve Issue of Options to Mr Didier Murcia	☐	☐	☐
Resolution 11	Approve Issue of Options to Mr Mark Hancock	☐	☐	☐

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 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 29 May 2016 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; or**

(c) **facsimile to the Company on facsimile number +61 8 9420 4040**

so that it is received not later than 10am (WST) on 29 May 2016.

Proxy forms received later than this time will be invalid.