



25 February 2015

## CENTAURUS ANNOUNCES CAPITAL RAISING OF UP TO \$4.6M TO TO ADVANCE BRAZILIAN IRON ORE PROJECTS

*SUCCESSFULLY RAISES \$1.1M THROUGH SHARE PLACEMENT, LAUNCHES \$3.5M RIGHTS ISSUE*

### KEY POINTS

- **\$1.1M share placement at \$0.025 per share together with one free attaching option for every three shares, completed to professional and sophisticated investor clients of Canaccord Genuity Ltd and some of the Company's major shareholders.**
- **Subject to shareholder approval, Centaurus' Managing Director will subscribe for 3M shares of the Placement.**
- **Centaurus to launch pro rata 1-for-2 non-renounceable Rights Issue to raise up to A\$3.5M to existing eligible shareholders on the same terms as the share placement.**
- **Funds raised will be used to advance the Candonga DSO Project and commence resource definition drilling on the recently acquired and highly prospective Conquista DSO Project, located 5km from Candonga.**

Centaurus Metals Limited (ASX: CTM) ("Centaurus" or "the Company") is pleased to announce that it has successfully raised \$1.1 million through a share placement (Placement) to professional and sophisticated investors of Canaccord Genuity Ltd and some of the Company's major shareholders.

The Company will also undertake a pro rata 1-for-2 non-renounceable rights issue (Rights Issue) on the same terms as the Placement to raise up to a further \$3.5 million, enabling the Company's broader shareholder base to participate in the Rights Issue.

The funds raised will enable Centaurus to continue to advance funding and development options for its advanced Candonga DSO Project, which represents a low-cost, near-term entry to the domestic iron ore business in south-eastern Brazil.

Specifically, the funds will be used to complete the Candonga permitting process, continue work to secure sales arrangements with the Company's preferred domestic customer base, commence resource drilling at the newly acquired Conquista DSO Project with the potential to expand and enhance its DSO business and investigate transactions that could deliver immediate value from its fully-licensed and shovel-ready Jambreiro Project.

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## AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE



The Placement, comprising a total of 44 million shares at \$0.025 and 14.67 million options to raise \$1.1 million, is being undertaken in two tranches as follows:

- 41 million fully-paid ordinary shares at a price of \$0.025 per share and 13.67 million new options issued on a 1-for-3 basis, which has been undertaken within the Company's existing capacity to issue securities under the placement capacities provided by ASX Listing Rules 7.1 and 7.1A; and
- 3 million fully-paid ordinary shares at a price of \$0.025 cents per share and 1 million new options issued on a 1-for-3 basis, subject to shareholder approval, to the Managing Director of the Company (MD Placement).

The Company will send a notice of meeting to shareholders in due course with respect to, amongst other things, the approvals required for the issue of the shares and options as part of the MD Placement.

The options issued as part of the Placement will have an exercise price of \$0.05 and will expire on 31 March 2017.

Investors participating in the Placement include the Company's major shareholder, Atlas Iron Limited, the Managing Director of the Company, Darren Gordon, and other institutional, sophisticated and professional investors of Canaccord Genuity Ltd.

### **Non-Renounceable Rights Issue**

The proposed Rights Issue will be undertaken on a pro rata 1-for-2 basis on the same terms as the Placement, being \$0.025 cents per share, together with a free attaching option on a 1-for-3 basis to raise up to \$3.5 million. The options will have an exercise price of \$0.05 cents per share and expire on 31 March 2017.

The Company will apply for quotation of the new options to be issued under both the Placement and the Rights Issue on the ASX.

### **Timetable**

It is proposed that the Rights Issue run to the following indicative timetable:

Lodgement of the Prospectus with ASIC and ASX	5 March 2015
Notice of Rights Issue sent to Optionholders	5 March 2015
Notice of Rights Issue sent to Shareholders	6 March 2015
Ex-Date for Rights Issue	11 March 2015
Record Date	13 March 2015
Prospectus despatched to Shareholders	16 March 2015
Closing Date	30 March 2015
Shares quoted on a deferred settlement basis	31 March 2015
Notify ASX of Shortfall	2 April 2015
Issue date – Deferred settlement trading ends	8 April 2015
Commencement of trading of New Shares	9 April 2015

Settlement of the Placement is scheduled to occur on 4 March 2015.



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

### **Prospectus**

The Company is expecting to lodge a Prospectus with the Australian Securities and Investment Commission on 5 March 2015, which sets out the material information relating to the Rights Issue. A copy of the Prospectus and an Appendix 3B in respect of the Rights Issue will be released to ASX. The Prospectus, together with an entitlement and acceptance form will be despatched to eligible shareholders in accordance with the timetable above.

### **Use of Funds**

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

- Complete the final permitting process for the Candonga Project, including obtaining the required environmental Installation and Operating Licences, the formal Trial Mining Licence (GU) from the DNPM to enable commercial production to commence;
- Advance sales arrangements with potential steel mill and pig iron customers;
- Pursue alternative development funding options for the Candonga Project which could include joint venture structures;
- Undertake focused exploration, including relevant environmental approval work, at the highly prospective Conquista Project with the aim of converting the current Exploration Target<sup>1</sup> of 3.5-8Mt grading 64-67% Fe into JORC Resources. The Exploration Target quantity and grade is conceptual in nature as there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource; and
- Provide general working capital.

### **Management Comment**

Centaurus' Managing Director, Mr Darren Gordon, said the Company was very pleased with the outcome of the capital raising considering the extremely challenging conditions currently being experienced in equity markets, particularly in the junior iron ore sector.

"We remain very confident in the quality and robustness of our iron ore assets in Brazil, and the funds raised will enable us to push ahead with final permitting for Candonga while at the same time securing sales agreements and evaluating the optimal funding and development path to bring this low-cost DSO project into operation.

"At the same time, we will be commencing low-cost, focused resource development drilling at the Conquista Project, which represents an attractive bolt-on growth opportunity for our DSO business with the potential to create scale and make the overall Candonga/Conquista Project far more attractive to customers and potential financiers," he continued.

"We also intend to explore a number of potentially value-creating transactions for our much-larger Jambreiro Project, while at the same time continuing to manage our cost structure to ensure we are operating a lean and efficient organisation – but one that is still capable of delivering significant value for our shareholders in the years ahead," Mr Gordon said.

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<sup>1</sup> Please refer to the ASX Announcement dated 11 November 2014 or the December 2014 Quarterly Activities Report dated 30 January 2015 for full details of the Exploration Target defined at the Conquista Project.

AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT  
& MEDIA RELEASE



**Voluntary Suspension**

This is the announcement that was referred to in the Company's request for a Voluntary Suspension on 24 February 2015.

**-ENDS-**

**Released By:**

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**On behalf of:**

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**Competent Person's Statement**

*The information in this report that relates to Exploration Results and Mineral Resources is based on information compiled by Roger Fitzhardinge who is a Member of the Australasia Institute of Mining and Metallurgy and Volodymyr Myadzel who is a Member of Australian Institute of Geoscientists. Roger Fitzhardinge is a permanent employee of Centaurus Metals Limited and Volodymyr Myadzel is the Senior Resource Geologist of Micromine do Brasil Consultoria e Sistemas Ltda, independent resource consultants engaged by Centaurus Metals.*

*Roger Fitzhardinge and Volodymyr Myadzel have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Roger Fitzhardinge and Volodymyr Myadzel consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.*

*The information in this report that relates to Ore Reserves is based on information compiled by Beck Nader who is a professional Mining Engineer and a Member of the Member of Australian Institute of Geoscientists. Beck Nader is the Managing Director of Micromine do Brasil Consultoria e Sistemas Ltda and is a consultant to Centaurus.*

*Beck Nader has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserve'. Beck Nader consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*