



9 May 2012

ESTABLISHMENT OF PERFORMANCE SHARE PLAN

Centaurus Metals Ltd (ASX Code: CTM) advises that the Board has agreed to establish a Performance Share Plan (“PSP”) under which eligible participants may be granted performance shares in the Company, with the intention of appropriately incentivising current management executives and employees as the Company moves towards production.

The objective of the PSP is to provide the Company with a remuneration mechanism, through the issue of securities in the capital of the Company, to motivate and reward the performance of management, executives and employees in achieving specified performance milestones within a specified performance period.

The Board will ensure that the performance milestones attached to the securities issued under the PSP are aligned with the growth and success of the Company’s business activities.

The adoption of a PSP will enable the Company to be more competitive in the market when seeking to attract and retain key senior personnel as the Company progresses its iron ore projects in Brazil towards production.

Under the PSP, the Company proposes to issue the following performance shares to the Managing Director as part of his remuneration package, subject to shareholder approval:

	Performance Condition	No. of Performance Shares
Tranche 1	On first sale of iron ore from the Jambreiro Iron Ore Project by 31 December 2013.	300,000
Tranche 2	On first sale of iron ore into the export market from the Company’s current or future Brazilian Projects by 30 June 2015.	400,000

Shareholder approval will be sought as soon as practicable.

Released By:

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