

17 October 2016



Dear Shareholder

Notice to Shareholders of Renounceable Rights Issue

On 12 October 2016, Centaurus Metals Limited (ACN 009 468 099) (**Company**) announced that the Company would be conducting a renounceable rights issue. The rights issue is being made pursuant to a prospectus which was lodged with the Australian Securities and Investments Commission and the ASX on 14 October 2016 (**Prospectus**). The Prospectus is available on the Company's website at www.centaurus.com.au or on the ASX website (company announcements section, ASX code: CTM) at www.asx.com.au.

Pursuant to the Prospectus, the issue comprises up to 402,467,414 fully paid ordinary shares in the capital of the Company (**Shares**) on the basis of 3 Shares for every 5 Shares held at 5.00pm (WST) on 20 October 2016 (**Record Date**) at an issue price of \$0.005 per New Share (**Entitlement**), together with 1 free attaching New Option for each 2 New Shares subscribed for, each exercisable into one Share at \$0.01 on or before 30 April 2018, to raise approximately \$2,012,337 (before issue costs) (**Rights Issue**).

The Company has applied for quotation of the New Shares and New Options but notes that the quotation of the New Options will be subject to satisfaction of the ASX Listing Rules requirements.

CPS Capital Group will partially underwrite the Rights Issue to \$1 million.

The Rights Issue is open to shareholders who hold Shares as at the Record Date with registered addresses in Australia and New Zealand (**Eligible Shareholders**). All other shareholders are not eligible to participate in the Rights Issue and will be notified by the Company separately.

The Company invites Eligible Shareholders to consider the opportunity to apply for New Shares over and above their Entitlement (**Additional New Shares**), pursuant to the Prospectus.

Where fractions arise in the calculation of Entitlements, they will be rounded down to the nearest whole number of New Shares and New Options.

The New Shares will rank equally with the existing ordinary Shares from the date of issue.

The Company currently has 6,500,000 unquoted vested options with varying exercise prices and expiry dates on issue and 20,300,666 quoted options exercisable at \$0.05 and expiring on 31 March 2017. Holders of these vested options may participate in the Rights Issue upon exercise of their options. The Company sent a notice to option holders on 14 October 2016 notifying them of their right to participate in the Rights Issue upon exercise of their options.

The Company also has 18,000,000 unquoted unvested options on issue. Holders of unquoted unvested options will not be eligible to participate in the Rights issue in respect of these options.

Following completion of the Rights Issue (assuming that all Eligible Shareholders take up their Entitlements in full and no options are exercised prior to the Record Date), the Company will have issued up to 402,467,414 New Shares and up to 201,233,707 New Options, resulting in total Shares on issue of up to 1,073,246,437 and total options to acquire Shares on issue of up to 246,034,373.

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As an Eligible Shareholder, you may:

- (a) take up all or part of your Entitlement;
- (b) take up all of your Entitlement and apply for Additional New Shares;
- (c) sell all of your Entitlement;
- (d) take up part of your Entitlement and sell the balance of your Entitlement;
- (e) allow all or part of your Entitlement to lapse.

No shareholder approval for the Rights Issue is required.

Indicative timetable

The indicative timetable for the Rights Issue is as follows:

Announce Rights Issue	12 October 2016
Lodgement of the Prospectus with ASIC and ASX and lodgement of Appendix 3B with ASX	14 October 2016
Notice of Rights Issue sent to Optionholders	14 October 2016
Notice of Rights Issue sent to Shareholders	17 October 2016
Ex Date for Rights Issue	19 October 2016
Rights trading commences	19 October 2016
Record Date	20 October 2016
Prospectus despatched to Shareholders/Opening Date	24 October 2016
Rights trading ends	31 October 2016
Deferred settlement trading commences	2 November 2016
Closing Date	8 November 2016
Notify ASX of Shortfall and Residual Securities	11 November 2016
Issue date – Deferred settlement trading ends	15 November 2016
Commencement of trading of New Shares	16 November 2016
Last date to issue Residual Securities	8 February 2017

The above timetable is indicative only and subject to change. The Company reserves the right to amend any or all of these events, dates and times subject to the *Corporations Act 2001 (Cth)*, the ASX Listing Rules and other applicable laws. In particular, the Company reserves the right to extend the closing date of the Rights Issue, to accept late applications either generally or in particular cases or to withdraw the Rights Issue without prior notice. The commencement of quotation of New Shares and New Options is subject to approval from ASX.

More information

Before making a decision whether to apply for New Shares or for Additional New Shares, please read the Prospectus carefully in its entirety when you receive it. The Rights Issue is scheduled to close at 5:00pm (WST) on 8 November 2016.

The Directors of the Company recommend that, if you are in doubt as to the value of the Rights Issue or the merits of accepting your Entitlement, you should contact your financial adviser. The Company's latest presentation is also available on its website.

Should you have any queries, please contact the Company Secretary on +61 8 9420 4000 or the Company's share registry Advanced Share Registry Limited on +61 8 9389 8033.

Yours faithfully

CENTAURUS METALS LIMITED



PAUL BRIDSON
Company Secretary