

14 February 2020

ISSUE OF OPTIONS UNDER LONG TERM INCENTIVE PLAN TO KEY MANAGEMENT PERSONNEL

The Board of Centaurus Metals Ltd (ASX: CTM) advises that it has initiated a new Long-Term Incentive (LTI) Plan for the Key Management Personnel (KMP) of the organisation and that under this new LTI Plan a number of performance related Share Options have now been issued to non-director KMP.

Further the Board has agreed to issue, subject to the approval of shareholders, performance related Share Options to the Executive Directors of the Company, Managing Director, Mr Darren Gordon and Brazil Country Manager, Mr Bruno Scarpelli. Shareholder approval for the proposed issue of performance related Share Options to Executive Directors will be sought at the Company's Annual General Meeting, presently planned for 20 May 2020.

The Board has determined that the LTI to KMP will take the form of Options with no exercise price (referred to hereafter as Zero Exercise Price Options or ZEPOs) and will be issued under the Company's Employee Share Option Plan (ESOP). KMP, other than the Managing Director, will be issued with options up to the value of 50% of their Total Fixed Remuneration (TFR) whilst the Managing Director will be issued with options up to the value of 75% of his TFR.

The ZEPOs proposed to be issued will have a 3-year assessment period from 1 January 2020 to 31 December 2022.

The number of ZEPOs to be granted to each member of the KMP has been determined by dividing the entitlement value by the 20 Day VWAP of CTM shares immediately prior to 1 January 2020 which was calculated at \$0.011765.

The ZEPOs have been issued as part of the remuneration arrangements of the respective KMP to recognise the extensive work and time commitment required principally from the KMP of the Company as it looks to successfully develop the Jaguar Nickel Project over the next 3-4 years. The LTIs also aim to support longer term growth in shareholder value by rewarding long term above average performance by KMP in the pursuit of the Company's long term business objectives.

Further to the LTI plan, a Short-Term Incentive (STI) Plan has also been introduced by the Board for Managers and KMP of the organisation as part of their ongoing remuneration arrangements to support the overall remuneration structure to reward short to medium term above average performance through the delivery of bonuses where significant specific value adding milestones of the Company have been achieved over the next 12 months.

An Appendix 3G in relation to the issue of the non-director performance related Share Options is attached to this release and further details of the terms of the Share Options is contained in Annexure 1.

-ENDS-

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Annexure 1 -Terms & Conditions of Issue of ZEPOs

Eligible Person: KMP or their Permitted Nominee.

Assessment Period: 1 January 2020 to 31 December 2022

Exercise Conditions: The following vesting criteria must be satisfied for ZEPOs to vest and be capable of being exercised;

- 50% - Based on Total Shareholder Return (TSR) relative to Peer Group of companies determined by the Board of Centaurus; and
- 50% - Based upon entry by the Company into the ASX300 Index.

Both milestones will be assessed at the end of the 3-year Assessment Period and the ZEPOs will not vest or be capable of being exercised until after this Assessment Period has closed, other than in the case of a successful change of control transaction. In a successful change of control transaction, all unvested ZEPOs will immediately vest.

The ZEPOs are also only capable of vesting should the KMP remain an employee of the Company at the end of the Assessment Period. Any unexercised but vested ZEPOs will need to be exercised within 3 months of resignation unless extended by the Board in their absolute discretion, but in no event can the exercise of the ZEPOs extend beyond the Expiry Date.

Should a termination occur as a result of redundancy, death or permanent disability the Board in its absolute discretion may allow any unvested ZEPOs to vest and be capable of being exercised.

Information Regarding Relative TSR Measure

In order to have been considered to achieve the Relative TSR performance measure, the Company must outperform, on a TSR basis, at least 49.9% of the established Peer Group. The Peer Group has been established by the Board.

The achievement of Relative TSR Performance Measure (Exercise Condition) will be made at the end of the Assessment Period and vesting will be in line with the table below;

Assessment Table	
Percentile Ranking compared to Peers	Amount of ZEPOs to Vest and become exercisable
<50 th Percentile	Zero
B/t 50 th and 75 th Percentile	Pro Rata B/t 50% and 100%
>75 th percentile	100%

Total Shareholder Return has been defined as the financial gain that results from a change in the stock's price plus any dividends paid by the company during the Assessment Period divided by the Share Price at the start of the Assessment Period.

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Vested Options can be exercised any time between vesting and the Expiry Date.

- Expiry Date: All options will expire 12 months after the end of the Assessment Period, which for this current issue of ZEPOs means an Expiry Date of 31 December 2023.
- Exercise Price: Nil for all ZEPOs
- Consideration: Nil