



CENTAURUS METALS LIMITED

ACN 009 468 099 (COMPANY)

NOTICE OF GENERAL MEETING & EXPLANATORY STATEMENT

Notice is given that a General Meeting of the Company will be held as follows:

TIME: 10 a.m. (AWST).
DATE: 19 February 2021
PLACE: KPMG
Level 8
235 St Georges Terrace
Perth, Western Australia

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.

The Company strongly encourages Shareholders to complete the proxy form enclosed and return it in accordance with the instructions set out on that form.

INTRODUCTION

Notice is given that a General Meeting of Shareholders of the Company will be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on 19 February 2021 commencing at 10am (AWST). The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The terms and abbreviations used in this Notice and Explanatory Statement are defined in the attached Glossary.

COVID-19 MEETING PROTOCOLS

In accordance with temporary modifications to the Corporations Act under the *Corporations (Coronavirus Economic Response) Determination (No. 3) 2020*, the Company will not be sending hard copies of the Notice of Meeting to shareholders who have not previously opted in to receiving electronic copies. Instead, the Notice of Meeting can be viewed and downloaded from the Company's website at <https://www.centaurus.com.au/asx-announcements>.

The Company advises that the Meeting will be held to comply with Federal and State Government's restrictions in relation to gatherings of persons during the COVID-19 directions in place at the time of the Meeting, which may be different from those in place at the time of this Notice.

The Company therefore strongly encourages Shareholders who wish to vote on the business of the meeting to do so by lodging a directed proxy prior to the date of meeting as per the instructions on the Proxy Form. Proxy Forms must be received by no later than 5pm (AWST) on 17 February 2021. Shareholders can submit any questions in advance of the Meeting by emailing them to proxyform@centaurus.com.au by no later than 5pm (AWST) on 17 February 2021.

The Company will continue to closely monitor guidance from the Federal and State Governments for any impact on the proposed arrangements for the Meeting. If any changes to the arrangements proposed in this Notice are required, the Company will advise Shareholders by way of announcement on the ASX and on the Company's website at www.centaurus.com.au.

The Meeting will consider only the business detailed in the Agenda below.

AGENDA

1 RESOLUTION 1 – RATIFICATION OF ISSUE OF JULY 2020 PLACEMENT SHARES UNDER LISTING RULE 7.1

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 34,559,292 Ordinary Shares to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

2 RESOLUTION 2 – RATIFICATION OF ISSUE OF JULY 2020 PLACEMENT SHARES UNDER LISTING RULE 7.1A

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

"That, for the purposes of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the previous issue of 26,154,994 Ordinary Shares to institutional and sophisticated investors on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of any person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person (or those persons).

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3 RESOLUTION 3 – RATIFICATION OF ISSUE OF BROKER INCENTIVE SHARES UNDER LISTING RULE 7.1

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 758,928 Ordinary Shares to Zero Nominees Pty Ltd (a nominee of Euroz Securities) and HSBC Custody Nominees (Australia) Limited (a nominee of Sprott Capital Partners) on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Zero Nominees Pty Ltd and HSBC Custody Nominees (Australia) Limited; or
- (b) an associate of Zero Nominees Pty Ltd or HSBC Custody Nominees (Australia) Limited,

or any person who participated in the issue or is a counterparty to the agreement being approved, or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

4 RESOLUTION 4 – RATIFICATION OF ISSUE OF MILESTONE PAYMENT 1 SHARES TO TERRATIVA UNDER LISTING RULE 7.1

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

"That, for the purpose of Listing Rule 7.4 and for all other purposes, Shareholders ratify and approve the issue of 2,834,008 Ordinary Shares to Terrativa Minerais SA on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Terrativa Minerais SA; or
- (b) an associate of Terrativa Minerais SA,

or any person who is a counterparty to the agreement being approved, or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

5 RESOLUTION 5 – ISSUE OF MILESTONE PAYMENT 2 SHARES TO TERRATIVA

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

"That, for the purpose of Listing Rule 7.1 and for all other purposes, approval is given for the Company to allot and issue 2,292,076 Ordinary Shares to Terrativa Minerais SA on the terms and conditions set out in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Terrativa Minerais SA; or
- (b) an associate of Terrativa Minerais SA,

and any other person who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

6 RESOLUTION 6 – ISSUE OF SHARE OPTIONS TO MR DARREN GORDON

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

"That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 470,614 Share Options to Mr Darren Gordon (or his nominee(s)) as part of the Company's Long Term Incentive Plan for Key Management Personnel on the terms and conditions specified in the Explanatory Statement accompanying this Notice."

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Gordon (or his nominee(s)); or
- (b) an associate of Mr Gordon (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel or a Closely Related Party; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the person is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

7 RESOLUTION 7 – ISSUE OF SHARE OPTIONS TO MR BRUNO SCARPELLI

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

“That for the purpose of Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 194,468 Share Options to Mr Bruno Scarpelli (or his nominee(s)) as part of the Company’s Long Term Incentive Plan for Key Management Personnel on the terms and conditions specified in the Explanatory Statement accompanying this Notice.”

Voting Exclusion: The Company will disregard any votes cast in favour of this Resolution by or on behalf of:

- (a) Mr Scarpelli (or his nominee(s)); or
- (b) an associate of Mr Scarpelli (or his nominee(s)),

and any other person who will obtain a material benefit as a result of the issue of the securities (except a benefit solely by reason of being a holder of ordinary securities in the Company), or an associate of that person or those persons.

However, this does not apply to a vote cast in favour of the Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the Chair as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the Chair to vote on the Resolution as the Chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
 - the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
 - the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

Voting Prohibition: In accordance with section 250BD of the Corporations Act, a person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the person is either a member of the Key Management Personnel or a Closely Related Party; and
- (b) the appointment does not specify the way the proxy is to vote on the Resolution.

However, the above prohibition does not apply if:

- (a) the person is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

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 (AWST) on 17 February 2021.

By Order of the Board

A handwritten signature in black ink, appearing to read 'J Westdorp', written over a horizontal line.

John Westdorp
Company Secretary
18 January 2021

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of Shareholders of Centaurus Metals Limited (**Company**) in connection with the business to be conducted at the General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges Terrace, Perth, Western Australia on 19 February 2021 commencing at 10am (AWST).

This Explanatory Statement should be read in conjunction with the accompanying Notice of Meeting. The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

A Proxy Form is included with the Notice of Meeting and Explanatory Statement.

1 RESOLUTIONS 1 & 2 – RATIFICATION OF ISSUE OF JULY 2020 PLACEMENT SHARES

1.1 Background

On 27 July 2020, the Company announced a capital raising through the issue of 60,714,286 Shares (**July Placement Shares**) to institutional and sophisticated investors at an issue price of \$0.42 per July Placement Share to raise a total of \$25.5 million (before costs) (**July Placement**).

The July Placement Shares were issued on 31 July 2020 under the Company's Listing Rule 7.1 and 7.1A capacity as follows:

- (a) 34,559,292 July Placement Shares were issued under Listing Rule 7.1 and are the subject of Resolution 1; and
- (b) 26,154,994 July Placement Shares were issued under Listing Rule 7.1A and are the subject of Resolution 2.

Funds raised from the July Placement will be used predominantly to advance exploration and study activities related to the Jaguar Nickel Sulphide Project and for general working capital purposes.

1.2 Listing Rules 7.1, 7.1A and 7.4

Broadly speaking, and subject to a number of exceptions, Listing Rule 7.1 limits the amount of Equity Securities that a listed company can issue without the approval of shareholders over any 12-month period to 15% of the fully paid shares it had on issue at the start of that period.

The issue of the 34,559,292 July Placement Shares the subject of Resolution 1 does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the July Placement Shares.

Under Listing Rule 7.1A, an eligible entity can seek approval from its members, by way of a special resolution passed at its annual general meeting, to increase the 15% limit under Listing Rule 7.1 by an extra 10% to 25% (**Listing Rule 7.1A Mandate**). Shareholders approved this additional capacity at the Company's last annual general meeting on 29 May 2020.

The issue of the 26,154,994 July Placement Shares the subject of Resolution 2 does not fall within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 10% limit under Listing Rule 7.1A, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1A for the period ending on the earliest of:

- (a) the date that is 12 months after the Company's last annual general meeting at which the Listing Rule 7.1A Mandate was approved;
- (b) the time and date of the Company's next annual general meeting; and
- (c) the time and date on which Shareholders approve a transaction under Listing Rule 11.1.2 (for a significant change to the nature or scale of the Company's activities) or Listing Rule 11.2 (for the disposal of the Company's main undertaking).

(Listing Rule 7.1A Mandate Expiry Date).

Listing Rule 7.4 allows the shareholders of a listed company to approve an issue of Equity Securities after it has been made or agreed to be made. If they do, the issue is taken to have been approved under Listing Rule 7.1 or Listing Rule 7.1A and so does not reduce the company's capacity to issue further Equity Securities without shareholder approval under that rule.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1. To this end, Resolutions 1 and 2 seek Shareholder approval for the issue of the July Placement Shares under and for the purposes of Listing Rule 7.4.

1.3 Technical information required by Listing Rule 14.1A

If Resolution 1 is passed, the issue of the 34,559,292 July Placement Shares the subject of Resolution 1 will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue of the July Placement Shares.

If Resolution 1 is not passed, the issue of the 34,559,292 July Placement Shares the subject of Resolution 1 will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the July Placement Shares.

If Resolution 2 is passed, the issue of the 26,154,994 July Placement Shares the subject of Resolution 2 will be excluded in calculating the Company's additional 10% limit in Listing Rule 7.1A, effectively increasing the number of Equity Securities it can issue without Shareholder approval for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

If Resolution 2 is not passed, the issue of the 26,154,994 July Placement Shares the subject of Resolution 2 will be included in calculating the Company's additional 10% limit in Listing Rule 7.1A, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval for the period ending on the Listing Rule 7.1A Mandate Expiry Date.

1.4 Technical Information Required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolutions 1 and 2:

- (a) the July Placement Shares were issued to institutional and sophisticated investors (within the meaning of sections 708(8) – (11) of the Corporations Act). Other than as set out in Section 1.4(a) (ii) below, none of those investors were Related Parties of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person. Of the 60,714,286 July Placement Shares which were issued:
 - (i) 60,666,191 July Placement Shares were issued to sophisticated and professional investors with recipients identified through a bookbuild process and through expressions of interest to participate in the capital raising; and
 - (ii) 48,095 July Placement Shares were issued to an associate of Mr John Westdorp (who is the Company's Chief Financial Officer and Secretary and, accordingly, a member of Key Management Personnel);
- (b) a total of:
 - (i) 34,559,292 Placement Shares were issued pursuant to Listing Rule 7.1; and
 - (ii) 26,154,994 Placement Shares were issued pursuant to Listing Rule 7.1A;
- (c) the July Placement Shares were issued on 31 July 2020;
- (d) the July Placement Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (e) The July Placement Shares were issued for \$0.42 each, raising a total of \$25.5 million (before costs);
- (f) the purpose of the issue of the July Placement Shares was to fund exploration and study activities related to the Jaguar Nickel Sulphide Project and for general working capital purposes; and
- (g) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolutions 1 and 2.

1.5 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolutions 1 and 2.

2 RESOLUTION 3 – RATIFICATION OF ISSUE OF BROKER INCENTIVE SHARES UNDER LISTING RULE 7.1

2.1 Background

Sprott Capital Partners and Euroz Securities (**JLMs**) acted as Joint Lead Managers and bookrunners for the July 2020 Placement. The terms of the agreement between the Company and the JLMs provided for the payment of an equity raising fee of 3.75% of the gross amount raised (subject to carve outs), payable in cash, as well as an incentive fee, at the absolute discretion of the Company, of up to 1.25% of the total gross amount raised.

Both the cash equity raising fee and the incentive fee were payable for the services performed by the JLMs in managing the July Placement (**Broker Incentive**), with the incentive fee payable in cash or Shares at the absolute discretion of the Company. The Company elected to settle the incentive fee by way of an issue of 758,928 Shares (**Broker Incentive Shares**), with each Broker Incentive Share having a deemed issue price of \$0.42. Resolution 3 seeks Shareholder ratification of the prior issue of the Broker Incentive Shares for the purpose of Listing Rule 7.4.

Further details in relation to the July Placement are provided in Section 1.1 above.

2.2 ASX Listing Rules 7.1 and 7.4

The requirements of Listing Rules 7.1 and 7.4 are set out in Section 1.2 above.

The issue of the Broker Incentive Shares does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Broker Incentive Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 3 seeks Shareholder approval to the issue of the Broker Incentive Shares under and for the purposes of Listing Rule 7.4.

2.3 Technical information required by Listing Rule 14.1A

If Resolution 3 is passed, the issue of the Broker Incentive Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Broker Incentive Shares.

If Resolution 3 is not passed, the issue of the Broker Incentive Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities the Company can issue without Shareholder approval over the 12-month period following the date of issue of the Broker Incentive Shares.

2.4 Technical Information Required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolution 3:

- (a) on 1 October 2020 the Company issued 758,928 Broker Incentive Shares as follows:
 - (i) 379,464 Broker Incentive Shares were issued to HSBC Custody Nominees (Australia) Limited, a nominee of Sprott Capital Partners; and
 - (ii) 379,464 Broker Incentive Shares were issued to Zero Nominees Pty Ltd, a nominee of Euroz Securities,

Each of Sprott Capital Partners and Euroz Securities were engaged to provide broking and capital raising services to the Company but are not a Related Party of the Company, a member of Key Management Personnel, a substantial holder in the Company, or an associate of any such person;

- (b) the Broker Incentive Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (c) the Broker Incentive Shares were issued at nil cost;
- (d) the deemed issue price per Broker Incentive Share was \$0.42 each;
- (e) the Broker Incentive Shares were issued in satisfaction of the incentive fee payable to the JLMs as part payment for services performed by the JLMs in managing the July Placement;
- (f) no funds were raised from the issue of the Broker Incentive Shares;

- (g) the material terms of the agreement under which the Broker Incentive Shares were issued are detailed in Section 2.1 above;
- (h) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 3.

2.5 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 3.

3 RESOLUTION 4 – RATIFICATION OF ISSUE OF MILESTONE PAYMENT 1 SHARES TO TERRATIVA UNDER LISTING RULE 7.1

3.1 Background

On 5 September 2019 the Company announced that the board of directors of Vale had approved the sale of the advanced Jaguar Nickel Sulphide Project to the Company (**Jaguar Transaction**), and a formal sale & purchase agreement had been executed by the parties. Part of the purchase consideration for the Jaguar Transaction is the transfer of the Company's Salobo West Copper-Gold Project to Vale. The transaction was finalised upon the approval of the Brazilian National Bank for Economic and Social Development (**BNDES**) on 8 April 2020.

The Salobo West Project tenements were originally acquired from the privately-owned Brazilian resource development group, Terrativa Minerais SA (**Terrativa**), which retained a 2% production royalty over the tenements or a right to elect to receive a 25% share of sale proceeds in the event the Company divested the Salobo West Project to a third party. Conditional on the completion of the acquisition of the Jaguar Nickel Sulphide Project from Vale, Terrativa elected to convert its royalty interest. The terms of the royalty conversion were documented by an agreement between the parties (**Royalty Conversion Agreement**). The Royalty Conversion Agreement requires the Company to pay Terrativa up to A\$3.5 million over a period of 2.5 years. Terrativa are also entitled to receive 2 bonus payments, subject to the achievement of market capitalisation thresholds by the Company.

Payments under the Royalty Conversion Agreement comprise the following:

- (a) A\$1.0M settled via the issue of Shares to Terrativa on the closing date for the Jaguar Transaction, with those Shares issued at the 10-day VWAP of Shares immediately prior to the date of the announcement of the acquisition of the Jaguar Nickel Sulphide Project, being 5 September 2019. The relevant 10-day VWAP was \$0.1425, equating to a total of 7,017,544 Shares which were issued to Terrativa on 9 April 2020. The issue was ratified by Shareholders at the Company's annual general meeting held on 29 May 2020.
- (b) A\$2.5M comprising 5 scheduled payments of A\$500,000 each. The first payment of A\$500,000 was made to Terrativa on 9 October 2020.
- (c) Payment of either A\$1.25M in cash or A\$1.4M in Shares at Terrativa's election, contingent on the Company's market capitalisation exceeding A\$50M for over 90 days in any 6-month period during the course of 36 months from the closing date for the Jaguar Transaction, being 8 April 2020 (**Milestone Payment 1**). The market capitalisation threshold for Milestone Payment 1 was triggered on 30 September 2020 and 2,834,008 Shares (**Milestone Payment 1 Shares**) were issued to Terrativa on 1 October 2020 under Listing Rule 7.1. at a deemed issue price of \$0.4940 per Milestone Payment 1 Share (being the 15-day VWAP of Shares immediately prior to the day upon which the milestone was achieved). The ratification of the issue of the Milestone Payment 1 Shares is the subject of this Resolution 4.
- (d) Payment of either A\$1.25M in cash or A\$1.4M in Shares at Terrativa's election, contingent on the Company's market capitalisation exceeding A\$100M for over 90 days in any 6-month period during the course of 36 months from the closing date for the Jaguar Transaction, being 8 April 2020 (**Milestone Payment 2**). The market capitalisation threshold for Milestone Payment 2 was triggered on 30 October 2020. Terrativa have elected to settle Milestone Payment 2 via the issue of Shares (**Milestone Payment 2 Shares**). The deemed issue price of the Shares will be \$0.6108 per Milestone Payment 2 Share, being the 15-day VWAP immediately prior to the day upon which the milestone was achieved. The issue of 2,292,076 Milestone Payment 2 Shares to settle Milestone Payment 2 is the subject of Resolution 5.

Resolution 4 seeks Shareholder ratification for the allotment and issue of the Milestone Payment 1 Shares.

3.2 ASX Listing Rules 7.1 and 7.4

A summary of Listing Rules 7.1 and 7.4 are set out in Section 1.2 above. The issue of the Milestone Payment 1 Shares does not fit within any of the exceptions in Listing Rule 7.2 and, as it has not yet been approved by Shareholders, it effectively uses up part of the 15% limit in Listing Rule 7.1, reducing the Company's capacity to issue further Equity Securities without Shareholder approval under Listing Rule 7.1 for the 12-month period following the date of issue of the Milestone Payment 1 Shares.

The Company wishes to retain as much flexibility as possible to issue additional Equity Securities into the future without having to obtain Shareholder approval for such issues under Listing Rule 7.1.

To this end, Resolution 4 seeks Shareholder approval for the issue of the Milestone Payment 1 Shares under and for the purposes of Listing Rule 7.4.

3.3 Technical information required by Listing Rule 14.1A

If Resolution 4 is passed, the issue of the Milestone Payment 1 Shares will be excluded in calculating the Company's 15% limit in Listing Rule 7.1, effectively increasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Milestone Payment 1 Shares.

If Resolution 4 is not passed, the issue of the Milestone Payment 1 Shares will be included in calculating the Company's 15% limit in Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12-month period following the date of issue of the Milestone Payment 1 Shares.

3.4 Technical Information Required by Listing Rule 7.5

The following information is provided to Shareholders for the purposes of Listing Rule 7.5 in relation to Resolution 4:

- (a) on 1 October 2020 the Company issued the 2,834,008 Milestone Payment 1 Shares to Terrativa Minerais SA, which is not a Related Party of the Company, a member of Key Management Personnel, a substantial holder in the Company, an adviser to the Company or an associate of any such person (although it is noted Terrativa will become a substantial holder in the Company if Resolution 5 is passed and the Milestone Payment 2 Shares are issued to Terrativa);
- (b) the Milestone Payment 1 Shares are fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (c) the Milestone Payment 1 Shares were issued at nil cost;
- (d) the Milestone Payment 1 Shares were issued as part of the consideration for the extinguishment of Terrativa's royalty over the Salobo West Copper Gold Project and enable the unencumbered transfer of the Salobo West Copper Gold project to Vale as part of the completion of the acquisition of the Jaguar Nickel Sulphide Project from Vale;
- (e) no funds were raised from the issue of the Milestone Payment 1 Shares;
- (f) the deemed issue price per Milestone Payment 1 Share was \$0.4940 each;
- (g) the material terms of the agreement under which the Milestone Payment 1 Shares were issued are detailed in Section 3.1 above; and
- (h) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 4.

3.5 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 4.

4 RESOLUTION 5 – ISSUE OF MILESTONE PAYMENT 2 SHARES TO TERRATIVA

4.1 Background

The background relating to the proposed issue of the Milestone Payment 2 Shares to Terrativa is detailed in Section 3.1.

The requirements of Listing Rule 7.1 are set out in Section 1.2 above. The proposed issue of the Milestone Payment 2 Shares does not fall within any of the exceptions in Listing Rule 7.2 and exceeds the 15% limit in Listing Rule 7.1. It therefore requires the approval of Shareholders under Listing Rule 7.1.

Resolution 5 seeks the required Shareholder approval to the issue of the Milestone Payment 2 Shares under and for the purposes of Listing Rule 7.1.

4.2 Technical information required by Listing Rule 14.1A

If Resolution 5 is passed, the Company will be able to proceed with the issue of the Milestone Payment 2 Shares. In addition, the issue of the Milestone Payment 2 Shares will be excluded from the calculation of the number of Equity Securities that the Company can issue without Shareholder approval under Listing Rule 7.1.

If Resolution 5 is not passed, the Company will be required to settle the Milestone Payment 2 via other means which may include payment in cash. Alternatively, the Company may need to issue the Milestone Payment 2 Shares using its existing or future Listing Rule 7.1 capacity. In that case, the issue of the Milestone Payment 2 Shares would be included in calculating the Company's 15% limit under Listing Rule 7.1, effectively decreasing the number of Equity Securities it can issue without Shareholder approval over the 12 month period following the date of issue of the Milestone Payment 2 Shares.

4.3 ASX Listing Rule 7.3

The following information is provided to Shareholders for the purposes of Listing Rule 7.3 in relation to Resolution 5:

- (a) the number of Milestone Payment 2 Shares to be issued is 2,292,076;
- (b) the Milestone Payment 2 Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the Listing Rules), and it is intended that issue of the Milestone Payment 2 Shares will occur as soon as practicable after the Meeting, subject to approval of this Resolution 5 by Shareholders;
- (c) the Milestone Payment 2 Shares are to be issued at a deemed issue price of \$0.6108 per Milestone Payment 2 Share, being the 15-day VWAP immediately prior to the day upon which the milestone was achieved;
- (d) the Milestone Payment 2 Shares will be issued to Terrativa, which is not a Related Party of the Company a member of Key Management Personnel, an adviser to the Company or an associate of any such person. The Company notes Terrativa will become a substantial holder in the Company as a result of being issued the Milestone Payment 2 Shares;
- (e) the Milestone Payment 2 Shares will be fully paid ordinary shares that rank equally in all respects with the Company's existing Shares;
- (f) the Milestone Payment 2 Shares will be issued as partial consideration for Terrativa's share of sale proceeds of the Salobo West Copper-Gold Project;
- (g) no funds will be raised from the issue of the Milestone Payment 2 Shares;
- (h) the material terms of the agreement under which the Milestone Payment 2 Shares will be issued are detailed in Section 3.1 above; and
- (i) a voting exclusion statement has been included in the Notice of Meeting for the purposes of Resolution 5.

4.4 Directors' Recommendation

The Directors unanimously recommend Shareholders vote in favour of Resolution 5.

5 RESOLUTIONS 6 AND 7– ISSUE OF SHARE OPTIONS TO MR DARREN GORDON AND MR BRUNO SCARPELLI

5.1 Background

Resolutions 6 and 7 seek Shareholder approval pursuant to Listing Rule 10.11 and for all other purposes to issue:

- (a) 470,614 Share Options to Mr Darren Gordon (or his nominee(s)); and
- (b) 194,468 Share Options to Mr Bruno Scarpelli (or his nominee(s)).

On 14 February 2020, the Company announced that the Board had initiated a Long-Term Incentive (**LTI**) plan for Key Management Personnel. Incentive awards under the LTI plan are proposed to be issued as Equity Securities.

In accordance with the LTI plan, the Company seeks the approval of Shareholders for the issue of performance related Share Options to the Executive Directors of the Company, being the Managing Director, Mr Darren Gordon, and the Company's Brazil Country Manager, Mr Bruno Scarpelli.

The Board has determined that the LTIs will take the form of Share Options with no exercise price (referred to hereafter as **Zero Exercise Price Options** or **ZEPOs**).

The Board is proposing (subject to Shareholder approval) to issue Mr Gordon with 470,614 ZEPOs representing the value of 75% of his Total Fixed Remuneration (**TFR**), and to issue Mr Scarpelli with 194,468 ZEPOs representing the value of 50% of his TFR.

The ZEPOs proposed to be issued to Messrs Gordon and Scarpelli will in each case have a 3-year assessment period from 1 January 2021 to 31 December 2023. The number of ZEPOs to be granted to each of Messrs Gordon and Scarpelli has been determined by dividing the entitlement value (based on the relevant percentage of the Executive Director's TFR) by the 20 Day VWAP of Shares immediately prior to 1 January 2021, which was calculated as \$0.6942.

The ZEPOs have been issued as part of the remuneration arrangements of each respective Executive Director to recognise the extensive work and time commitment required to successfully develop the Jaguar Nickel Project over the next 3-4 years. The LTI plan aims to support growth and Shareholder value by rewarding long term above average performance by KMP in the pursuit of the Company's long-term business objectives.

The following vesting criteria must be satisfied in order for the ZEPOs to vest and be capable of being exercised;

- (a) 50% of the ZEPOs will vest based on Total Shareholder Return (**TSR**) relative to a peer group of companies determined by the Board; and
- (b) 50% of the ZEPOs will vest upon the achievement of an Absolute TSR (as set out in Appendix 1).

The terms and conditions of the ZEPOs proposed to be issued to Messrs Gordon and Scarpelli are attached as Appendix 1.

5.2 Listing Rule 10.11

Listing Rule 10.11 provides that unless one of the exceptions in Listing Rule 10.12 applies, a listed company must not issue or agree to issue Equity Securities to:

- (a) a related party;
- (b) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (30%+) holder in the company;
- (c) a person who is, or was at any time in the 6 months before the issue or agreement, a substantial (10%+) holder in the company and who has nominated a director to the board of the company pursuant to a relevant agreement which gives them a right or expectation to do so;
- (d) an associate of a person referred to in Listing Rules 10.11.1 to 10.11.3; or
- (e) a person whose relationship with the company or a person referred to in Listing Rules 10.11.1 to 10.11.4 is such that, in ASX's opinion, the issue or agreement should be approved by its shareholders,

unless it obtains the approval of its shareholders.

The proposed issue of ZEPOs to Messrs Gordon and Scarpelli, each a Director, in each case falls within Listing Rule 10.11.1 and does not fall within any of the exceptions in Listing Rule 10.12. It therefore requires the approval of Shareholders under Listing Rule 10.11.

Resolutions 6 and 7 seek the required Shareholder approval to the issue of the ZEPOs to Messrs Gordon and Scarpelli respectively under and for the purposes of Listing Rule 10.11.

If Resolution 6 is passed, the Company will be able to proceed with the issue of the 470,614 ZEPOs to Mr Gordon.

If Resolution 6 is not passed, the Company will not be able to proceed with the issue of the 470,614 ZEPOs to Mr Gordon and will be required to consider other means of remunerating and incentivising Mr Gordon. Alternative incentive mechanisms may take the form of cash payments which would reduce the Company's cash reserves.

If Resolution 7 is passed, the Company will be able to proceed with the issue of the 194,468 ZEPOs to Mr Scarpelli.

If Resolution 7 is not passed, the Company will not be able to proceed with the issue of the 194,468 ZEPOs to Mr Scarpelli and will be required to consider other means of remunerating and incentivising Mr Scarpelli. Alternative incentive mechanisms may take the form of cash payments which would reduce the Company's cash reserves.

5.3 Information Required by ASX Listing Rule 10.13

The following information is provided to Shareholders for the purposes of Listing Rule 10.13 in relation to Resolutions 6 and 7:

- (a) The ZEPOs will be issued to Mr Darren Gordon and Mr Bruno Scarpelli (or their respective nominee(s));
- (b) Mr Gordon and Mr Scarpelli are each a Director and are therefore each a Related Party of the Company for the purposes of Listing Rule 10.11.1;
- (c) the ZEPOs to be issued will form part of the existing class of unlisted options CTMAS. The number of ZEPOs to be issued pursuant to Resolutions 6 and 7 is 665,082 comprising;
 - (i) 470,614 ZEPOs under Resolution 6 to Mr Gordon or his nominee(s); and
 - (ii) 194,468 ZEPOs under Resolution 7 to Mr Scarpelli or his nominee(s)
- (d) the ZEPOs are anticipated to be issued on or around 22 February 2021 and, in any event, by no later than 1 month after the date of the Meeting;
- (e) the ZEPOs will be granted for nil cash consideration;
- (f) no funds will be raised from the issue of the ZEPOs;
- (g) the purpose of the issue of the ZEPOs is to allow the Company to reasonably incentivise its Executive Directors for the achievement of strategic objectives which will result in increased value to Shareholders whilst at the same time preserving the Company's cash position;
- (h) the current total remuneration packages for Mr Gordon and Mr Scarpelli are shown in the table below:

Remuneration Component	Mr Gordon	Mr Scarpelli
Total Fixed Remuneration (Salary & Superannuation)	\$435,600	\$270,000
Short Term Incentive (STI)*	Up to 50% of TFR	Up to 35% of TFR
Long Term Incentive (LTI)*	Up to 75% of TFR	Up to 50% of TFR

* cash benefits and equity securities available under the STI and LTI schemes are subject to the achievement of performance objectives and may not result in the realisation of any financial benefit for the participants.

- (i) a summary of the material terms pursuant to which the ZEPOs will be issued is set out in Appendix 1; and
- (j) a voting exclusion statement is included in the Notice of Meeting.

5.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a Related Party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

Resolutions 6 and 7 relate to the proposed issue of Share Options, which constitutes giving a financial benefit. Messrs Gordon and Scarpelli are each a Related Party of the Company by virtue of being a Director.

Section 211 of the Corporations Act provides that Shareholder approval under section 208 is not required if:

- (a) the financial benefit to be provided to the Related Party is remuneration as an officer or employee of a public company; and
- (b) to give the remuneration would be reasonable given:
 - (i) the circumstances of the public company or entity giving the remuneration; and
 - (ii) the Related Party's circumstances (including the responsibilities involved in the office or employment).

The Directors (excluding Mr Gordon and Mr Scarpelli who have a material personal interest in Resolutions 6 and 7 respectively) have determined the proposed grant of ZEPOs to be a part of the reasonable remuneration of Mr Gordon and Mr Scarpelli (respectively), having regard to the circumstances of the Company and the responsibilities of Mr Gordon and Mr Scarpelli as Directors and senior executives. The proposed issue of ZEPOs is accordingly considered to fall within the exception in section 211 of the Corporations Act, and Shareholder approval is therefore not sought for the purposes of Chapter 2E of the Corporations Act.

The ZEPOs to be issued to Messrs Gordon and Scarpelli (respectively) will not be quoted on the ASX and will lapse if Mr Gordon or Mr Scarpelli (as applicable) cease to be an employee of the Company or otherwise if the performance objectives attached to the ZEPOs fail to be achieved. The ZEPOs will be transferable only with the consent of the Board and will otherwise be issued on the terms and conditions set out in Appendix 1.

5.5 Directors' Recommendation

The Directors (other than Mr Gordon, to whom Resolution 6 relates and Mr Scarpelli, to whom Resolution 7 relates), unanimously recommend Shareholders vote in favour of Resolutions 6 and 7.

GLOSSARY

\$ means Australian dollars.

Appendix means an appendix to this 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.

AWST means Western Standard Time as observed in Perth, Western Australia.

Board means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors.

Broker Incentive has the meaning given in Section 2.1.

Broker Incentive Shares has the meaning given in Section 2.1.

Chair means the chair of the 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.

Centaurus or **Company** means Centaurus Metals Limited ACN 009 468 099.

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.

Euroz Securities means Euroz Securities Limited.

Explanatory Statement means the explanatory Statement accompanying the Notice of Meeting.

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

Jaguar Transaction has the meaning given in Section 3.1.

JLMs has the meaning given in Section 2.1.

July Placement has the meaning given in Section 1.1.

July Placement Shares has the meaning given in Section 1.1.

Key Management Personnel or **KMP** 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 Rule 7.1A Mandate has the meaning given in Section 1.2.

Listing Rule 7.1A Mandate Expiry Date has the meaning given in Section 1.2.

LTI has the meaning given in Section 5.1.

Managing Director means the managing Director of the Company.

Milestone Payment 1 has the meaning given in Section 3.1(c).

Milestone Payment 1 Shares has the meaning given in Section 3.1(c).

Milestone Payment 2 has the meaning given in Section 3.1(d).

Milestone Payment 2 Shares has the meaning given in Section 3.1(d).

Notice or **Notice of Meeting** means the notice of meeting which forms part of this Explanatory Statement.

Option or **Share Option** means an option to acquire one Share.

Ordinary Share or **Share** means a fully paid ordinary share in the capital of the Company.

Proxy Form means the enclosed appointment of proxy form.

Related Party is defined in section 228 of the Corporations Act.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Royalty Conversion Agreement has the meaning given in Section 3.1.

Section means a section contained in this Explanatory Statement.

Shareholder means a registered holder of a Share.

Sprott Capital Partners means Sprott Capital Partners LP.

Terrativa means Terrativa Minerais SA.

TFR means total fixed remuneration.

Trading Day means a day determined by ASX to be a trading day in accordance with the Listing Rules.

TSR means total shareholder return, details of which are further set out in Appendix 1.

VWAP means the volume weighted average trading price of the Shares on ASX.

ZEPOs or **Zero Exercise Price Options** has the meaning given in Section 5.1.

APPENDIX 1 – TERMS & CONDITIONS OF ISSUE OF ZEPOS

1. All Shares allotted upon exercise of the ZEPOs 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.
2. The Company will not apply for official quotation of any ZEPOs issued under the Plan.
3. ZEPOs may be issued to a permitted nominee. A permitted nominee is a third party nominated by the participant otherwise entitled to receive the ZEPOs and approved by the Board in its absolute discretion.
4. The ZEPOs are not transferable except if a participant or permitted nominee dies or becomes subject to a legal disability.
5. Unless otherwise determined by the Board, if a participant (or if the ZEPOs are issued to a permitted nominee, the person who nominated that permitted nominee) ceases to be an employee:
 - a. any vested ZEPOs may be exercised during the following 3 months (or such longer period as the Board may determine), and any ZEPOs not exercised within such period will automatically lapse; and
 - b. any unvested ZEPOs will immediately lapse (unless otherwise determined by the Board).
6. Holders of ZEPOs are not entitled to participate in any new issue of securities to existing holders of Shares unless they are entitled to exercise their ZEPOs and have done so prior to the record date for determining entitlements.
7. There is no right to change the exercise price of a ZEPO nor the number of underlying Shares over which the ZEPO can be exercised in the case of a bonus issue or a pro rata issue.
8. On a reorganisation of the Company's capital, the rights of holders of ZEPOs will be changed to the extent necessary to comply with the Listing Rules of the ASX.
9. **Assessment Period.** 1 January 2021 to 31 December 2023.
10. **Exercise Conditions.** The following vesting criteria must be satisfied for ZEPOs to vest and be capable of being exercised;
 - a. for 50% of the ZEPOs - Based on Total Shareholder Return (**TSR**) relative to a peer group of companies determined by the Board of Centaurus (detailed below); and
 - b. for 50% of the ZEPOs - Based upon achievement of an Absolute TSR (as set out below) relative to threshold levels set by the Board.

Both milestones will be assessed at the end of the Assessment Period. 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.

11. The ZEPOs are also only capable of vesting if the relevant KMP remains 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 the KMP ceasing to be employed by the Company (subject to paragraph 12 below), unless extended by the Board in their absolute discretion, but in no event can the exercise of the ZEPOs extend beyond the Expiry Date (set out below).
12. 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.
13. **Relative TSR.** In order to be considered to have achieved 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 is a group of companies established by the Board (detailed below) for comparison to the Company's performance.

Peer Group Companies for Relative TSR Assessment - 2021			
Adriatic Resources	Blackstone Minerals	Jervois Mining	Piedmont Lithium
Ardea Resources	Clean TeQ Holdings	Legend Mining	Poseidon Nickel
Australian Mines	Emerald Resources	Liontown Resources	Red River Resources
AVZ Minerals	Galena Mining	Mincor Resources	Stavely Minerals
Azure Minerals	Greenland Minerals	New Century Resources	St George Mining
Big River Gold	Hot Chilli	Panoramic Resources	Western Areas

The achievement of the relative TSR performance measure 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 which will 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%

14. **Absolute TSR.** In order to be considered to have achieved the absolute TSR performance measure the Company must outperform, on a TSR basis, the TSR levels set out in the table below.

The achievement of the absolute TSR performance measure will be made at the end of the Assessment Period, and vesting will be in line with the table below:

Assessment Table	
Threshold TSR Level over Assessment Period	Amount of ZEPOs which will vest and become exercisable
Less than 30%	Zero
B/t 30% and 40%	50%
B/t 40% and 50%	75%
50% or greater	100%

15. **Total Shareholder Return** will be determined by reference to the financial gain that results from a change in the Company's Share price plus any dividends paid by the Company during the Assessment Period, divided by the Company's Share price at the start of the Assessment Period.
16. Vested ZEPOs can be exercised any time between vesting and the Expiry Date.
17. **Expiry Date.** All ZEPOs 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 2024.
18. **Exercise Price.** Nil.
19. **Consideration.** Nil

LODGE YOUR PROXY APPOINTMENT ONLINE

 **ONLINE PROXY APPOINTMENT**
www.advancedshare.com.au/investor-login

 **MOBILE DEVICE PROXY APPOINTMENT**
Lodge your proxy by scanning the QR code below, and enter your registered postcode.

2021 GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Centaurus Metals Limited and entitled vote hereby:

APPOINT A PROXY

The Chair of the Meeting **OR**  **PLEASE NOTE:** If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing such appointment, or if no appointment is made, the Chair 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 General Meeting of the Company to be held at the offices of KPMG, Level 8, 235 St Georges Terrace Perth, Western Australia on 19 February 2021 commencing at 10am (AWST), and at any adjournment or postponement of that Meeting.

IMPORTANT NOTE FOR MEMBERS WHO APPOINT THE CHAIR OF THE MEETING AS THEIR PROXY

The Chair of the Meeting intends to vote all available proxies in favour of each Resolution. Unless indicated otherwise by ticking the "for", "against" or "abstain" box you will be authorizing the Chair to vote in accordance with the Chair's voting intention.

VOTING DIRECTIONS

Resolutions

	For	Against	Abstain*
1 Ratification of issue of July 2020 Placement Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of issue of July 2020 Placement Shares under Listing Rule 7.1A	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Ratification of issue of Broker Incentive Shares under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Ratification of issue of Milestone Payment 1 Shares to Terrativa under Listing Rule 7.1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Milestone Payment 2 Shares to Terrativa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Share Options to Mr Darren Gordon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Share Options to Mr Bruno Scarpelli	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

 * If you mark the Abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution and your votes will not be counted in calculating the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual) Joint Shareholder 2 (Individual) Joint Shareholder 3 (Individual)
Sole Director and Sole Company Secretary Director/Company Secretary (Delete one) Director

This form should be signed in accordance with the instructions overleaf to enable your voting instructions to be implemented.

Email Address

Please tick here to agree to receive communications sent by the Company via email. This may include meeting notifications, dividend remittance, and selected announcements.

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.

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.

3. **Proxy Voting by Key Management Personnel:** If you wish to appoint a Director (other than the Chair) or any other member of the Company's Key Management Personnel, or their Closely Related Parties, as your proxy, you must specify how they should vote on Resolutions 6 and 7 by marking the appropriate box. If you do not your proxy will not be able to exercise your vote for these Resolutions. Note that if you appoint the Chair as your proxy (or if they are appointed by default) but do not direct the Chair how to vote, the Chair may vote as they see fit on that resolution.

4. **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.

5. **Compliance with Listing Rule 14.11.** In accordance with Listing Rule 14.11, if you hold shares on behalf of another person(s) or entity/entities, or you are a trustee, nominee of custodian or other fiduciary holder of the shares, you are required to ensure that the person(s) or entity/entities for which you hold the shares are not excluded from voting on resolutions where there is a voting exclusion. Listing Rule 14.11 requires you to hold written confirmation from the person or entity providing the instruction to you and you must vote in accordance with the instruction provided. By lodging your proxy votes you confirm that you are in compliance with Listing Rule 14.11.

6. **Corporate Representatives:** If a representative of a nominated corporation is to participate in the meeting the appropriate "Certificate of Appointment of Corporate Representative" form should be provided. The form is available from Advanced Share Registry.

7. **Entitlement to Vote.** For the purposes of Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) the Company determines that Shareholders holding Shares on Wednesday 17 February 2021 at 5pm (AWST) will be entitled to attend and vote at the Meeting.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 10 a.m. (AWST) on 17 February 2021, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled Meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 6370 4203



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
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