



## CENTAURUS METALS LIMITED

ACN 009 468 099

### PROSPECTUS

For:

- a pro-rata renounceable issue of 5 New Shares for every 9 Shares held by Eligible Shareholders registered at the Record Date at an issue price of \$0.004 per New Share together with 1 free attaching New Option for each New Share subscribed for, exercisable at \$0.01 on or before 31 August 2019 (**Rights Issue**); and
- an offer of Residual Securities on the terms set out in section 1.15 (**Residual Offer**).

to raise approximately \$2,500,000 before costs of the issue.

The Rights Issue is partially underwritten by CPS Capital Group Pty Ltd to \$1.25 million. See section 1.24 for details.

**ASX Code: CTM**

### IMPORTANT NOTICE

***This document is important and requires your immediate attention. It should be read in its entirety. If you do not understand its contents or are in doubt as to the course you should follow, you should consult your stockbroker or professional adviser.***

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## IMPORTANT NOTICE

### Prospectus

This Prospectus is dated 13 July 2017 and was lodged with ASIC on that date. No responsibility for the contents of this Prospectus is taken by ASIC nor ASX.

The New Shares and New Options issued pursuant to this Prospectus will be issued on the terms and conditions set out in this Prospectus. No New Shares will be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

In preparing this Prospectus regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers who investors may consult. No person is authorised to give any information or to make any representation in connection with the Rights Issue described in this Prospectus. Any information or representation which is not contained in this Prospectus or disclosed by the Company pursuant to its continuous disclosure obligations may not be relied upon as having been authorised by the Company in connection with the issue of this Prospectus.

Throughout this Prospectus, for ease of reading, various words and phrases have been defined rather than used in full on each occasion. Those words and phrases (and their associated definitions) are set out in Section 5 of this Prospectus.

### Electronic Prospectus

A copy of this Prospectus in electronic format may be viewed at [www.centaurus.com.au](http://www.centaurus.com.au) or the website of ASX by Australian investors only. The Rights Issue constituted by this Prospectus in electronic form is only available to Eligible Shareholders receiving this Prospectus in electronic form within Australia.

New Shares, New Options and Residual Securities will only be issued with respect to the Entitlement and Acceptance Form or Residual Securities Application Form, as the case may be, if the Company is satisfied the Entitlement and Acceptance Form or Residual Securities Application Form was attached to a complete and unaltered version of this Prospectus. A paper copy of this Prospectus may be obtained free of charge on request by contacting the Company before 5pm (WST) on the Closing Date.

### Risk factors

Before deciding to invest in the Company, potential investors should read the entire Prospectus. In considering the prospects for the Company, potential investors should consider the risk factors that could affect the performance of the Company. Please refer to Section 3 for further information.

## Overseas Shareholders

The New Shares and New Options being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place in which, or to any person to whom it would not be lawful to make such an offer or invitation. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares or New Options.

Please refer to Section 1.28 for further information.

## Forward-looking statements

This Prospectus may contain forward-looking statements that have been based on current circumstances. Any forward-looking statements are subject to risks, uncertainties and assumptions that could cause those acts, events and circumstances to differ materially from the expectations described in such forward-looking statements.

## Key Dates

Announce Rights Issue and lodgement of Appendix 3B with ASX	12 July 2017
Lodgement of the Prospectus with ASIC and ASX	13 July 2017
Notice of Rights Issue sent to Optionholders	13 July 2017
Notice of Rights Issue sent to Shareholders	18 July 2017
Ex-Date for Rights Issue	19 July 2017
Rights trading commences	19 July 2017
Record Date	20 July 2017
Prospectus despatched to Shareholders/Opening Date	21 July 2017
Rights trading ends	28 July 2017
Deferred settlement trading commences	31 July 2017
Closing Date	4 August 2017
Notify ASX of Shortfall and Residual Securities	7 August 2017
Issue date – Deferred settlement trading ends	10 August 2017
Commencement of trading of New Shares and New Options	11 August 2017
Last date to issue Residual Securities	4 November 2017

\* The Directors may extend the Closing Date by giving at least 3 Business Days' notice to ASX prior to the Closing Date. As such, the date the New Shares and New Options are expected to commence trading on ASX may vary.

## LETTER FROM THE CHAIRMAN

13 July 2017

Dear Shareholder,

On behalf of the Board of Centaurus Metals, I am pleased to invite you to participate in the renounceable rights issue (**Rights Issue**) announced by the Company on 12 July 2017, under which eligible shareholders are entitled to subscribe for 5 new shares for every 9 shares held at an issue price of \$0.004 per share.

In addition, shareholders who take up their rights will receive a free attaching option on the basis of one option for every share taken up in the Rights Issue. The options will have an exercise price of \$0.01 per share and expire on 31 August 2019. The Company intends to seek quotation on the ASX for these options.

The funds raised from the Rights Issue will be used to fast track the drilling program at our flagship Serra Misteriosa Gold Project, as well as to evaluate a number of promising copper-gold exploration targets at the recently granted Salobo West Copper-Gold Project.

These two key projects form part of the Pará Exploration Package (**Pará EP**), a +750km<sup>2</sup> exploration package in Northern Brazil which we secured last year thanks to our Strategic Alliance with Terrativa.

Importantly for Centaurus, the Company was able to access this highly prospective project package with no up-front cost and will earn its right to acquire 100% of the package by undertaking on ground exploration.

The extensive Serra Misteriosa tenement package is located between several world-class gold deposits – including the 5Moz Volta Grande Gold Project, owned by TSX-listed Belo Sun Mining, to the north, and the giant Carajás IOCG copper/gold mines to the south.

Since securing the Pará EP, the Company has quickly advanced its initial exploration activities at Serra Misteriosa by completing a detailed Induced Polarisation survey and significantly expanding the soil sampling program over the main anomaly. As a result, the Company has defined a 5km long, +50ppb gold-in-soils anomaly with a high grade central zone comprising 2km +100ppb Au, coincident with strong chargeability anomalies at depth.

A number of drill targets are now in place and a diamond drilling program commenced in May 2017. Initial results from the eastern limit of the main target indicate the presence of a large mineralised system, with gold mineralisation being identified in the first drill holes. The Company is now set to commence drilling in the central part of the anomaly and plans to ramp up its drilling activities utilising the funds raised from this Rights Issue.

The package of ground in Pará also includes the Salobo West Copper-Gold Project in the Carajás Mineral Province. The Carajás is one of the world's premier IOCG mineral addresses, containing more than nine IOCG deposits hosting resources of more than 100 million tonnes of copper-gold ore within an area of just 150km by 100km.

Vale's Salobo Copper-Gold Mine, the largest of these deposits, hosts Reserves of 1.2 billion tonnes at 0.63% Cu and 0.4g/t Au and produced approximately 176kt of copper and 317koz of gold in calendar year 2016. Centaurus' Salobo West IOCG targets display similar geophysical characteristics, are located in the same geological context and are only 12km along strike from the Salobo mine.

The Company is very pleased to have the opportunity to explore such a high quality portfolio of projects and is looking forward to a period of significant exploration activity in Brazil in the months and years ahead.

In light of this, we encourage shareholders to participate in this attractively priced Rights Issue as the Company continues to explore the various project areas that comprise the Pará EP.

The details of the Rights Issue are set out in this Prospectus, together with your personalised

Entitlement and Acceptance Form. I encourage you to read the Prospectus in its entirety before making your investment decision. A description of the risk factors you may wish to consider is set out in Section 3.

The Rights Issue provides you with the opportunity to participate in this capital raising and maintain your equity interest in the Company at an attractive price. All Directors of the Company who own shares have indicated that they will be participating in the Rights Issue.

On behalf of the Board, I invite you to consider this investment opportunity and thank you for your continued support of the Company.

Yours sincerely



**DIDIER MURCIA**  
Chairman

## CORPORATE DIRECTORY

<b>DIRECTORS</b>	Mr Didier Murcia (Non-Executive Chairman) Mr Darren Gordon (Managing Director & Chief Exec. Officer) Mr Bruno Scarpelli (Executive Director) Mr Mark Hancock (Non-Executive Director) Mr Steven Parsons (Non-Executive Director)
<b>SECRETARY</b>	Mr Paul Bridson (CFO & Company Secretary)
<b>REGISTERED OFFICE</b>	Level 3, 10 Outram Street West Perth, WA 6005 Email: office@centaurus.com.au Website: www.centaurus.com.au
<b>AUDITORS*</b>	KPMG Chartered Accountants 235 St Georges Terrace Perth WA 6000
<b>SOLICITORS TO THE RIGHTS ISSUE</b>	Murcia Pestell Hillard Suite 183 Level 6, 580 Hay Street Perth WA 6000 Tel: +61 8 9221 0033 Fax: +61 8 9221 0133
<b>LEAD MANAGER &amp; UNDERWRITER</b>	CPS Capital Group Pty Ltd Level 45, 108 St Georges Terrace Perth WA 6000
<b>SHARE REGISTRAR</b>	Advanced Share Registry Limited 110 Stirling Hwy, Nedlands WA 6009
<b>ASX Code</b>	CTM

\*For information purposes only. This person has not been involved in the preparation of this Prospectus and has not consented to being named in this Prospectus.

## Section 1 DETAILS OF THE RIGHTS ISSUE

### 1.1 Rights Issue

This Prospectus invites Eligible Shareholders to participate in a pro-rata renounceable issue of 5 New Shares for every 9 Shares held by those Shareholders registered at the Record Date at an issue price of \$0.004 per New Share together with 1 free attaching New Option for each New Share subscribed for, exercisable at \$0.01 on or before 31 August 2019 to raise approximately \$2,500,000 (less expenses of the Rights Issue).

The Lead Manager and Underwriter is CPS Capital Group Pty Ltd (ACN 088 055 636) (**CPS Capital**) and CPS Capital has agreed to partially underwrite the Rights Issue by subscribing for Shortfall Shares and Shortfall Options up to the value of \$1.25 million. Please refer to Section 1.24 for more details.

As at the date of this Prospectus the Company has 1,123,246,437 Shares, 226,233,707 Listed Options, 33,500,000 vested Unlisted Options and 65,000,000 unvested Unlisted Options on issue.

Holders of Options will not be entitled to participate in the Rights Issue. However, holders of vested Unlisted Options and Listed Options may exercise their Options prior to the Record Date if they are an Eligible Shareholder and wish to participate in the Rights Issue.

If all of the Listed Options and vested Unlisted Options are exercised prior to the Record Date the Company's cash funds will increase by an additional amount of approximately \$2,742,637 from the exercise of these Options and this Prospectus will (subject to eligibility) also offer to those Shareholders a further maximum of 144,296,504 New Shares and 144,296,504 New Options to raise an additional amount of \$577,186 from the issue of New Shares.

The Listed Options and vested Unlisted Options have an exercise price ranging from \$0.0082 to \$0.125 and expiry dates ranging from 30 April 2018 to 31 May 2022. Based on the current share price, the Company does not expect the Listed Options to be exercised before the Record Date. Further information on the Options is set out in Section 2.2 below.

### 1.2 Purpose of the Rights Issue and Use of Funds

The funds raised will be applied towards the following:

Use of Funds	Underwritten Amount (\$)	Full Subscription (\$)
Cost of Rights Issue	170,000	250,000
Ongoing exploration and drilling of the Serra Misteriosa Gold Project in Brazil	600,000	1,250,000
Exploration at the Salobo West Copper-Gold Project and other tenements that form part of the Para EP	280,000	690,000
General working capital and administrative expenses, including the costs of pursuing a divestment of or joint venture in relation to the Jambreiro Iron Ore Project	200,000	306,103
<b>Total</b>	<b>1,250,000</b>	<b>2,496,103</b>

If the Rights Issue is not fully subscribed and the Company only raises the Underwritten Amount, then the funds will be used as per the Underwritten Amount column in the table above.

The above-proposed use of funds is a statement of present intention as at the date of this Prospectus and is subject to ongoing review and evaluation by the Company.

Any additional funds raised from the participation of Shareholders in the Rights Issue as a result of the exercise of any of the 33,500,000 vested Unlisted Options or the 226,233,707 Listed Options, which may be up to \$2,742,637 (assuming all exercisable Options are exercised - and Shares are issued - prior to the Record Date), will be applied proportionately to the activities of the Company set out under the Full Subscription column of the Use of Funds table above. As at the date of this Prospectus, the applicable exercise prices for the Listed Options and vested Unlisted Options are higher than the price at which the Shares are currently trading on ASX and, accordingly, the Directors consider that it is unlikely any of those relevant options will be exercised by their holders prior to the Record Date.

### 1.3 Opening and Closing Dates

The Rights Issue will open on 21 July 2017 and close at 5 pm (WST) on 4 August 2017 (except where payment is via BPAY® in which case payment must be made by such earlier cut off time as your own financial institution may implement with regard to electronic payments) or such later date as the Directors, in their absolute discretion and subject to compliance with the Listing Rules, may determine.

### 1.4 Entitlement to Rights Issue

Eligible Shareholders who are recorded on the Company's Share register at 5 pm (WST) on the Record Date are eligible to participate in the Rights Issue. Fractional entitlements will be rounded down to the nearest whole number of New Shares and New Options. An Entitlement and Acceptance Form setting out your entitlement to New Shares and New Options accompanies this Prospectus.

### 1.5 Actions required

As an Eligible Shareholder you may:

- (a) subscribe for all of your Entitlement (refer to Section 1.6);
- (b) subscribe for part of your Entitlement and allow the balance to lapse (refer to Section 1.7);
- (c) subscribe for all of your Entitlement (refer to Section 1.6) and apply for Additional New Shares and New Options (refer to Section 1.13);
- (d) sell all of your Entitlement (refer to Section 1.8); or
- (e) take up part of your Entitlement and sell the balance (refer to Section 1.9).

You may also choose not to take up any of your Entitlement, in which case no action is required (refer to Section 1.7).

### 1.6 To subscribe for all of your Entitlement

If you wish to subscribe for all of your Entitlement, complete the accompanying Entitlement and Acceptance Form in accordance with the instructions set out in that form. That form sets out the number of New Shares you are entitled to subscribe for.

The completed Entitlement and Acceptance Form must be accompanied by a cheque or bank draft made payable to "Centaurus Metals Limited" and crossed "Not Negotiable" for the appropriate Application Money in Australian dollars calculated at \$0.004 per New Share and received by the Company's Share Registrar at either of the below addresses by no later than 5 pm (WST) on 4 August 2017. The Company will present the cheque or bank draft on or around the day of receipt of the Entitlement and Acceptance Form. If a cheque is not honoured upon its first presentation, the Directors reserve the right to reject the relevant Entitlement and Acceptance Form.

If the amount of your cheque(s) or bank draft(s) for Application Money (or the amount for which those cheque(s) or bank draft(s) clear in time for allocation) is insufficient to pay for the number of New Shares you have applied for in your Entitlement and Acceptance Form, you may be taken to have applied for such lower number of New Shares as your cleared Application Money will pay for (and to have specified that number of New Shares in your Entitlement and Acceptance Form) or your Application may be rejected.

By post:	By hand delivery:
Centaurus Metals Limited c/- Advanced Share Registry Limited PO Box 1156 Nedlands WA 6909	Centaurus Metals Limited c/- Advanced Share Registry Limited 110 Stirling Hwy Nedlands WA 6009

**Alternatively, if you are paying by BPAY®, you do not need to mail the Entitlement and Acceptance Form.** Please refer to your personalised instructions on your Entitlement and Acceptance Form. It is your responsibility to ensure your BPAY® payment is received by the Company by no later than 5 pm (WST) on 4 August 2017. You should be aware your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration.

### 1.7 If you do not wish to take up any part of your Entitlement

If you do not wish to take up your Entitlement under the Rights Issue, you are not required to take any action. You will receive no benefit or New Shares or New Options and your Entitlement will become available as Additional New Shares or Residual Securities.

If you want to take up part of your Entitlement and wish to receive a benefit, you must take action to accept part of your Entitlement in accordance with the instructions above and on the back of the accompanying Entitlement and Acceptance Form.

The number of securities you hold as at the Record Date and the rights attached to those securities will not be affected if you choose not to accept any of your Entitlement.

#### **1.8 If you wish to sell all of your Entitlement**

Complete the section marked "Instructions to Your Stockbroker" on the Entitlement and Acceptance Form, which accompanies this Prospectus, in accordance with the instructions contained on the form and lodge it with your stockbroker as soon as possible.

Rights trading will commence on ASX on 19 July 2017. Sale of your Rights must be completed by 28 July 2017 when Rights trading is expected to cease.

#### **1.9 If you wish to take up part of your Entitlement and sell the balance**

Please complete the Entitlement and Acceptance Form, which accompanies this Prospectus, by inserting the number of New Shares which you wish to subscribe for (being less than the total specified on the Application Form) and complete the section marked "Instructions to Your Stockbroker" on the Entitlement and Acceptance Form in respect of that part of your Entitlement you wish to sell.

Forward the form to your stockbroker together with your cheque for the total amount payable in respect of the New Shares accepted. Your stockbroker will need to ensure that the completed Application Form reaches the Company's share registry, by 5.00pm (WST) on 4 August 2017. Cash will not be accepted and no receipts will be issued.

Rights trading will commence on ASX on 19 July 2017. Sale of your Rights must be completed by 28 July 2017 when Rights trading is expected to cease.

#### **1.10 If you wish to transfer your Entitlement other than on ASX**

If you are a Shareholder and hold Existing Shares on the issuer sponsored sub-register, forward a completed renunciation form (obtainable through your stockbroker or the Share Registrar) together with your Entitlement and Acceptance Form completed by the transferee together with a cheque for the appropriate Application monies to reach the Share Registrar, by 5.00pm (WST) on 4 August 2017.

If you are a Shareholder and hold Existing Shares registered on CHESS, you should contact your sponsoring broker.

Cash will not be accepted and no receipts will be issued.

#### **1.11 Entitlement and Acceptance Form binding**

A completed and lodged Entitlement and Acceptance Form or making a BPAY® payment constitutes a binding application to acquire New Shares and New Options on the terms and conditions set out in this Prospectus and, once lodged, cannot be withdrawn. If the Entitlement and Acceptance Form is not completed correctly, it may still be treated as a valid application for New Shares and New Options. The Directors' decision whether to treat an application as valid and how to construe, amend or complete the Entitlement and Acceptance Form is final.

#### **1.12 Eligible Shareholder representations and warranties**

By completing and returning your Entitlement and Acceptance Form with the requisite Application Monies or making a BPAY® payment, you will be deemed to have represented that you are an Eligible Shareholder. In addition, you will also be deemed to have represented and warranted on behalf of yourself or each person on whose account you are acting that the law in your place of residence and/or where you have been given this Prospectus, does not prohibit you from being given this Prospectus and you:

- (a) agree to be bound by the terms of the Rights Issue;
- (b) declare all details and statements in the Entitlement and Acceptance Form are complete and accurate;
- (c) declare you are over 18 years of age and have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- (d) authorise the Company and its respective officers or agents, to do anything on your behalf necessary for the New Shares and New Options to be issued to you, including to act on instructions of the Company's Share Registrar using the contact details set out in the Entitlement and Acceptance Form;
- (e) declare you are the current registered holder of Shares;
- (f) represent and warrant the law of your place of residence does not prohibit you from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit you from making an application for New Shares and New Options and you are otherwise eligible to subscribe for part or all of your Entitlement and to participate in the Rights Issue;

- (g) acknowledge the information contained in, or accompanying this Prospectus is not investment or financial product advice or a recommendation that New Shares and New Options are suitable for you given your investment objectives, financial situation or particular needs; and
- (h) acknowledge the New Shares and New Options may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, the registration requirements of applicable overseas securities laws, in particular the US Securities Act.

### 1.13 Applying for Additional New Shares & New Options

Eligible Shareholders may, in addition to their Entitlement, apply for Additional New Shares and New Options regardless of the size of their present holding.

An Eligible Shareholder that wishes to take up Additional New Shares and New Options must do so in accordance with the instructions on the Entitlement and Acceptance Form.

Any Entitlements not taken up may become available as Additional New Shares and New Options, which may be allocated by the Company in consultation with the Underwriter. It is possible that there will be few or no Additional New Shares and New Options available for issue, depending on the level of take up of Entitlements by Eligible Shareholders. There is also no guarantee that if Additional New Shares and New Options are available for issue, they will be allocated to all, or any, of the Eligible Shareholders who have applied for them.

It is an express term of the Rights Issue that applicants for Additional New Shares and New Options will be bound to accept a lesser number of Additional New Shares and New Options allocated to them than applied for if so allocated. If a lesser number of Additional New Shares and New Options is allocated to them than applied for, excess Application Money will be refunded without interest.

A single cheque should be used for the Application Money for your Entitlement and any Additional New Shares and New Options as stated on the Entitlement and Acceptance Form.

Alternatively, if you are paying by BPAY®, refer to your personalised instructions on your Entitlement and Acceptance Form. Shareholders who wish to pay by BPAY® must ensure payment is received by no later than 5 pm (WST) on 4 August 2017.

### 1.14 Underwriting Process

The Rights Issue is partially underwritten by CPS Capital. Please refer to Section 1.24 for further details.

### 1.15 Offer of Residual Securities

Any New Shares and New Options not applied for by the Closing Date which are not then subscribed for by the Underwriter will become Residual Securities. The Directors reserve the right to allocate and issue at their absolute discretion any Residual Securities within 3 months after the Closing Date (**Residual Offer**).

The Residual Offer is, to the extent it is made in Australia, made under this Prospectus. To the extent the Residual Offer is made outside Australia, the Residual Offer is made without disclosure, a prospectus, lodgement, filing or registration, or other requirements of any applicable securities law, and only in circumstances where it is lawful to do so (such as to institutional or sophisticated investors). Persons outside Australia who apply for Residual Securities represent to the Company that they can apply for Residual Securities in circumstances which do not require the offer for Residual Securities or this Prospectus to be registered.

Investors who are not Eligible Shareholders may apply for Residual Securities by completing the Residual Securities Application Form attached to this Prospectus and returning it together with a cheque for the value of those Residual Securities (at \$0.004 per New Share) to the Company's Share Registrar.

It is possible that there may be no Residual Securities available for issue.

The Directors reserve the right at their absolute discretion to reject any application for Residual Securities or to issue a lesser number of Residual Securities than that applied for, and it is an express term of the Residual Offer that applicants for Residual Securities will be bound to accept a lesser number of Residual Securities allocated to them than applied for. If a lesser number is allocated, excess application money will be refunded without interest as soon as practicable.

### 1.16 Allotment and Application Money

New Shares and New Options will be issued only after all Application Money has been received and ASX has granted permission for the New Shares and New Options to be quoted. It is expected New Shares and New Options will be issued on 10 August 2017 and normal trading of the New Shares and New Options on ASX is expected to commence on 11 August 2017. Residual Securities will be issued on a progressive basis (but by no later than 3 months after the Closing Date).

All Application Money received before New Shares and New Options are issued will be held in a special purpose account.

#### 1.17 Market prices of the Shares on ASX

A summary of the sale prices of the Shares on ASX during the last 3 months until the last trading day on ASX immediately prior to lodgement of this Prospectus with ASIC is set out below:

High (\$)	Low (\$)	Volume weighted average price (\$)
\$0.009	\$0.005	\$0.007

The last market sale price of Shares on 12 July 2017 (which was the last day of trading before lodgement of the Prospectus with ASIC) was \$0.005.

#### 1.18 Minimum subscription

The minimum subscription amount for the Rights Issue is the Underwritten Amount. There is no provision for oversubscriptions. However, Eligible Shareholders may apply for Additional New Shares. Please refer to Section 1.13 for further information. No New Shares and New Options will be issued under this Prospectus until the minimum subscription has been received. If the minimum subscription is not received within 3 months after the date of this Prospectus (or such period as varied by ASIC), the Company will not issue any New Shares or New Options under this Prospectus and will repay all application monies in accordance with the Corporations Act.

#### 1.19 No brokerage and stamp duty payable on subscription under Entitlement

No brokerage or stamp duty will be payable by Eligible Shareholders for a subscription for New Shares and New Options pursuant to their Entitlement.

#### 1.20 Tax implications

The Directors do not consider it appropriate to give Shareholders advice regarding the taxation consequences of the Company conducting the Rights Issue or Shareholders applying for New Shares and New Options under this Prospectus, as it is not possible to provide a comprehensive summary of the possible taxation positions of Shareholders.

The Company makes no representation and provides no advice in relation to the tax consequences for any Shareholder taking up their Entitlement under the Rights Issue. Therefore, the Company, its advisers and officers do not accept any responsibility or liability for any taxation consequences to Shareholders in the Rights Issue. Shareholders and Option holders (if applicable) should seek professional taxation advice about the tax consequences of taking up their Entitlement.

#### 1.21 ASX quotation

The Company will make application to ASX within 7 days following the date of this Prospectus for official quotation of the New Shares and New Options offered under the Rights Issue pursuant to this Prospectus. If such an application is not made within those 7 days or official quotation of the New Shares and New Options is not granted by ASX within 3 months of the date of this Prospectus, then the Company will not allot or issue any New Shares or New Options and all Application Money received pursuant to this Prospectus will be repaid as soon as practicable, without interest. Where ASX grants official quotation for New Shares but does not grant official quotation for New Options, the New Options will be issued on an unlisted basis.

A decision by ASX to grant official quotation of the New Shares and New Options is not to be taken in any way as an indication of ASX's view as to the merits of the Company, or the New Shares and New Options offered under this Prospectus.

#### 1.22 Notice to custodians and nominees

Custodians and nominees that currently hold Shares should note the Rights Issue is available only to Eligible Shareholders. The Company is not required to determine whether or not any registered holder is acting as a nominee or the identity or residence of any beneficial owners of Shares. If any nominee or custodian is acting on behalf of a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Rights Issue is compatible with applicable foreign laws.

#### 1.23 No issue of New Shares and New Options after 13 months

No New Shares and New Options will be allotted or issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

## 1.24 Lead Manager and Underwriter

CPS Capital is acting as Lead Manager and Underwriter. The Rights Issue is partially underwritten to \$1,250,000 (312,500,000 New Shares and 312,500,000 New Options) (**Underwritten Amount**).

CPS Capital will be paid a fee for managing and underwriting the Rights Issue and the Company will also be required to reimburse the Underwriter for all of the reasonable costs incurred by the Underwriter in relation to the Rights Issue. For more details, please refer to Section 4.7.

The underwriting of the Rights Issue is conditional upon satisfaction or waiver by the Underwriter of certain conditions ordinarily found in agreements for underwriting arrangements of this type, including that:

- (a) the Company has (subject to certain limitations, including where the loss arises through the Underwriter performing its underwriting obligation) agreed to indemnify the Underwriter, its officers, employees, advisers and related bodies corporate, and the officers, employees and advisers of any of its related bodies corporate against losses suffered or incurred in connection with the Rights Issue;
- (b) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Rights Issue;
- (c) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events, including (but not limited to) where any of the following events has a material adverse effect or could give rise to a liability of the Underwriter under the Corporations Act or otherwise:
  - (i) the All Ordinaries Index as published by ASX falls 15% or more below the closing level on the date of the Underwriting Agreement;
  - (ii) the price of Shares as quoted by ASX is greater than the volume weighted average market price for Shares calculated over 5 consecutive days on which sales in Shares which were recorded prior to allotment of New Shares;
  - (iii) an event occurs which gives rise to a material adverse effect or any adverse change or any development including a likely material adverse effect after the date of the Underwriting Agreement in the assets, liabilities, financial position, trading results, profits, forecasts, losses, prospects, business or operations of any relevant company including, without limitation, if any forecast in the Prospectus becomes incapable of being met or in the Underwriter's reasonable opinion, unlikely to be met in the projected time;
  - (iv) any of the material contracts or contracts described in this Prospectus (other than the Underwriting Agreement) is terminated or substantially modified;
  - (v) there is an outbreak of hostilities or a material escalation of hostilities (whether or not war has been declared) after the date of the Underwriting Agreement involving one or more of Australia, New Zealand, Indonesia, Japan, Russia, the United Kingdom, the United States of America, India, Pakistan, or the Peoples Republic of China, Israel or any member of the European Union other than hostilities involving Libya, Afghanistan, Iraq, Iran, Syria, Lebanon, North Korea or Israel, or a terrorist act is perpetrated on any of those countries or any diplomatic, military, commercial or political establishment of any of those countries anywhere in the world;
  - (vi) a suspension or material limitation in trading generally on ASX occurs or any material adverse change or disruption occurs in the existing financial markets, political or economic conditions of Australia, Japan, the United Kingdom, the United States of America or other international financial markets.

## 1.25 Rights trading

The Entitlement is renounceable, which enables Shareholders who do not wish to take up some or all of their Entitlements to sell or otherwise transfer all or part of their Entitlement. Trading of Entitlements on the ASX is expected to commence on 19 July 2017 and end on 28 July 2017.

## 1.26 Withdrawal of Rights Issue

The Company reserves the right not to proceed with the Rights Issue at any time before the issue of the New Shares and New Options to Eligible Shareholders. If the Rights Issue does not proceed, the Company will return all Application Money as soon as practicable after giving notice of its withdrawal, without interest.

## 1.27 Issue and allotment of New Shares and New Options

The New Shares will be issued fully paid. From the date of issue, the New Shares will rank equally in all respects with the Shares currently on issue. Details of the terms of the New Shares are set out in Section 4.4 and details of the terms of the New Options are set out in Section 4.5. By returning your Entitlement and Acceptance Form, you agree to comply with the Constitution for the New Shares and New Options issued to you.

The New Shares and associated New Options issued pursuant to Eligible Shareholders' Entitlements as well as the Additional New Shares and associated New Options are expected to be issued and allotted by no later than 10 August 2017. Residual Securities will be issued on a progressive basis.

Until issue and allotment of the New Shares and New Options under this Prospectus, the Application Money will be held in trust in a separate bank account opened and maintained for that purpose only. Any interest earned on the Application Money will be for the benefit of the Company and will be retained by it irrespective of whether allotment of the New Shares and New Options takes place.

### 1.28 Ineligible Shareholders

The Company is of the view it is unreasonable to make the offer under this Prospectus to Ineligible Shareholders having regard to:

- (a) the small number of Ineligible Shareholders;
- (b) the small number and value of New Shares and New Options to be offered to Ineligible Shareholders; and
- (c) the cost of complying with the legal requirements and requirements of regulatory authorities in the various overseas jurisdictions in which Ineligible Shareholders are located.

Accordingly, the Rights Issue is not being extended to, and does not qualify for distribution or sale by, and no New Shares or New Options will be issued to Shareholders having registered addresses outside Australia and New Zealand.

The New Shares being offered under this Prospectus are being offered to Eligible Shareholders only.

This Prospectus does not constitute an offer or invitation in any place outside Australia and New Zealand, in which, or to any person to whom, it would not be lawful to make such an offer or invitation. The Company has not made investigations as to the regulatory requirements that may prevail in countries outside Australia and New Zealand in which the Company's Shareholders reside.

Each Shareholder taking up its Entitlement represents and warrants the law of any place does not prohibit that Shareholder from being given this Prospectus and the Entitlement and Acceptance Form, nor does it prohibit that Shareholder from making an application for New Shares and New Options and that Shareholder is otherwise eligible to participate in the Rights Issue. It is the responsibility of an Eligible Shareholder to ensure compliance with any laws of a country relevant to their Application.

The distribution of this Prospectus in jurisdictions outside Australia and New Zealand, may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws.

The offer contained in this Prospectus to Eligible Shareholders with registered addresses in New Zealand is made in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). Members of the public in New Zealand who are not existing Shareholders on the Record Date are not entitled to apply for any New Shares and associated New Options.

### 1.29 Appointment of Nominee

As the Rights Issue is renounceable and for the purposes of Listing Rule 7.7.1(c), the Company will appoint CPS Capital as nominee to arrange for the sale of the Entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale (**Nominee**).

The Nominee will not be paid a fee in respect of its role although the Nominee will be paid brokerage on the sale of ineligible Entitlements and the fees as set out in Section 4.7 with respect to the partial Underwriting of this Rights Issue.

The Company has agreed to allot to the nominee, or its nominee company, the number of Entitlements which would otherwise have been issued to Ineligible Shareholders as if they were able to participate in the Rights Issue.

The Nominee will, during the Rights Trading Period, offer the Entitlements for sale on the market conducted by ASX as soon as is reasonably practicable following their allotment.

The sale of Entitlements will be made in the first instance in the ordinary course of trading on ASX at the prevailing market price. If there is no market for all or some of the Entitlements on ASX, the Nominee may sell all or some of the Entitlements off-market. The net proceeds of these sales, after deducting all reasonable costs associated with the sale will be provided to the Company for the benefit of the Ineligible Shareholders.

Subject to receiving the net proceeds of Entitlement sales from the Nominee (if any) the Company will distribute those funds to each Ineligible Shareholder, pro rata, in Australian currency. If all of the Entitlements of Ineligible Shareholders are sold this would result in each Ineligible Shareholder receiving the average price of the Entitlements sold on behalf of the Ineligible Shareholders during the Rights Trading Period. The amount received by each Ineligible Shareholder will be reduced to the extent that Ineligible Shareholders' Entitlements cannot be sold during the Rights Trading Period.

### 1.30 **CHES**

The Company participates in the Clearing House Electronic Sub-register System (**CHES**). ASX Settlement, a wholly owned subsidiary of ASX, operates CHES in accordance with the Listing Rules and the ASX Settlement Operating Rules. Under CHES, applicants will not receive a certificate but will receive a statement of their holding of New Shares and New Options.

If you are broker sponsored, ASX Settlement will send you a CHES statement. The CHES statement will set out the number of New Shares and New Options issued under this Prospectus, provide details of your holder identification number and give the participation identification number of the sponsor.

If you are registered on the issuer sponsored sub register, your statement will be dispatched by the Share Registrar and will contain the number of New Shares and New Options issued to you under this Prospectus and your security holder reference number.

A CHES statement or issuer sponsored statement will routinely be sent to Shareholders at the end of any calendar month during which the balance of their shareholding changes. Shareholders may request a statement at any other time, however, a charge may be made for additional statements.

### 1.31 **Privacy**

The Company collects the information about each Shareholder provided on an Entitlement and Acceptance Form for the purposes of processing the Application and, if the Application is successful, to administer that Shareholder's security holding in the Company.

By submitting an Entitlement and Acceptance Form, each Shareholder agrees the Company may use the information provided by a Shareholder on the Entitlement and Acceptance Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registrar, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to ASX and regulatory authorities.

If you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your Application.

An applicant has an entitlement to gain access to the information the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

### 1.32 **Enquiries regarding this Prospectus**

Enquiries regarding this Prospectus should be directed to the Company Secretary by telephone on +61 8 9420 4000.

## Section 2 CAPITAL STRUCTURE & EFFECT OF THE RIGHTS ISSUE ON THE COMPANY

### 2.1 Principal effects

The principal effects of the Rights Issue (assuming full subscription) are:

- (a) Subject to paragraph 2.1(c), the Company's cash funds will increase by approximately \$2,496,000, less expenses of the Rights Issue, which are estimated to be approximately \$250,000 and
- (b) Subject to paragraph 2.1(c), the total number of Shares on issue will increase by 624,025,798 to 1,747,272,235.
- (c) If 100% of the vested Unlisted Options and Listed Options currently on issue are exercised prior to the Record Date and all Entitlements are taken up, then:
  - (i) the Company's cash funds will increase by an additional amount of approximately \$480,300 from the exercise of the vested Unlisted Options and approximately a further \$74,444 from the take up of the Entitlements;
  - (ii) the Company's cash funds will increase by an additional amount of approximately \$2,262,337 from the exercise of the Listed Options and approximately a further \$502,742 from the take up of the Entitlements (although based on the current share price, the Company does not expect the Listed Options to be exercised before the Record Date); and
  - (iii) the total number of Shares on issue will increase by an additional 259,733,707 from the exercise of the vested Unlisted Options and Listed Options and 144,296,504 from the Entitlements to 2,151,302,446.

### 2.2 Capital structure

As at the date of this Prospectus 1,123,246,437 Shares are on issue. The pro-forma capital structure of the Company following the Rights Issue pursuant to this Prospectus is set out below (if 100% of the New Shares offered pursuant to this Prospectus are subscribed for and issued):

	Number
Existing Shares	1,123,246,437
New Shares to be issued under this Prospectus	624,025,798
Shares on issue after this Rights Issue	1,747,272,235

If 100% of the New Shares offered pursuant to this Prospectus are subscribed for and issued, then 624,025,798 New Options would be issued.

The Company currently has the following Unlisted Options on issue:

Exercise price	Expiry date	Vested	Unvested	No. of Options
\$0.125	31/08/18	1,000,000	1,000,000	2,000,000
\$0.0082	10/06/18	5,500,000	Nil	5,500,000
\$0.0082	10/06/19	8,500,000	Nil	8,500,000
\$0.0082	10/06/20	Nil	8,500,000	8,500,000
\$0.013	31/05/20	18,500,000	Nil	18,500,000
\$0.014	31/05/21	Nil	18,500,000	18,500,000
\$0.015	31/05/22	Nil	37,000,000	37,000,000
<b>Total</b>		<b>33,500,000</b>	<b>65,000,000</b>	<b>98,500,000</b>

The Company also has 226,233,707 listed options (ASX Code: CTMOA) on issue. The options have an expiry date of 30 April 2018 and an exercise price of \$0.01 per share.

### 2.3 Effect on control

There will be no effect on control of the Company if all Shareholders take up their Entitlements.

- (a) Underwriter

CPS Capital has agreed to partially underwrite the Rights Issue for up to \$1,250,000 or 312,500,000 New Shares (and 312,500,000 associated New Options).

In the event that no Eligible Shareholders took up their rights under this Prospectus, no New Shares or New Options are placed to sub-underwriters and no Residual Securities are issued, CPS Capital may theoretically have a voting power of up to 21.76% in the Company. The Underwriter has, however, confirmed with the Company that the Underwritten Amount is fully sub-underwritten and no sub-underwriter will hold voting power of more than 20%.

(b) Others

No shareholder will increase their voting power in the Company to 20% or more under the Rights Issue.

As the Rights Issue is renounceable and to comply with ASX Listing Rule 7.7.1(c), the Company will appoint CPS Capital as nominee to arrange for the sale of Entitlements that would have been given to Ineligible Shareholders and to account to them for the net proceeds of the sale.

(c) Dilution

Shareholders who do not participate in the Rights Issue will have their holdings diluted. The following is a table which sets out the dilutionary effect at various shareholding levels, assuming that the Rights Issue is fully subscribed and no further Shares are issued or Options exercised:

Holder	Holding at Record Date			Holding following the Rights Issue if no Entitlement taken up	
	Number	%	Entitlement	Number	%
1	40,000,000	3.56	22,222,222	40,000,000	2.28
2	20,000,000	1.78	1,111,111	20,000,000	1.14
3	10,000,000	0.89	5,555,555	10,000,000	0.57
4	5,000,000	0.44	2,777,777	5,000,000	0.28

## 2.4 Consolidated Statement of Financial Position

Set out below is the unaudited statement of financial position of the Company from the 31 May 2017 management accounts including the effect of the Rights Issue but excluding the exercise of any Options:

Unaudited Consolidated Statement of Financial Position	Unaudited Management Accounts 31/05/17	Unaudited Proforma 31/05/17*
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	890,682	3,386,785
Other receivables and prepayments	218,061	218,061
Total Current Assets	1,108,743	3,604,846
<b>Non-Current</b>		
Other receivables and prepayments	185,811	185,811
Other investments including derivatives	20,609	20,609
Property, plant and equipment	390,020	390,020
Exploration and evaluation assets	2,635,472	2,635,472
Total Non-Current Assets	3,231,912	3,231,912
Total Assets	4,340,655	6,836,758
<b>Liabilities &amp; Equity</b>		
<b>Current</b>		
Trade and other payables	394,049	394,049
Employee benefits	153,531	153,531
Total Current Liabilities	547,580	547,580
<b>Non-Current</b>		
Employee Benefits	87,941	87,941
Trade and other payables	132,718	132,718
Total Non-Current Liabilities	220,659	220,659
Total Liabilities	768,239	768,239
Net Assets	3,572,416	6,068,519
<b>Equity</b>		
Share capital	109,417,893	111,913,996
Reserves	(6,521,707)	(6,521,707)
Accumulated losses	(99,323,770)	(99,323,770)
Total Equity	3,572,416	6,068,519

\*These figures assume the Rights Issue will be fully subscribed and do not take into account Options that may be exercised prior to the Record Date.

## **Section 3 RISK FACTORS**

### **3.1 Introduction**

This Section 3 identifies the areas the Directors regard as the main risks associated with an investment in the Company. There are numerous widespread risks associated with investing in any form of business and with investing in the share market generally. There is also a range of specific risks associated with the Company's business. These risk factors are largely beyond the control of the Company and its Directors because of the nature of the business of the Company. The following summary, which is not exhaustive, represents some of the main risk factors which the Directors consider potential investors need to be aware of.

### **3.2 Company specific risks**

#### **(a) Capital requirements**

The continued operations of the Company are dependent on its ability to obtain financing through debt and equity means, or generating sufficient cash flows from future operations. There is a risk that the Company may not be able to access capital from debt or equity markets for future projects or developments, which could have a material adverse impact on the Company's business and financial condition.

The Company's ability to borrow money will be subject to the availability of debt at the time the Company wishes to borrow money and the cost of borrowing.

#### **(b) Exploration risks**

There can be no assurance that any exploration tenement, or any other mining tenements that may be acquired in the future, will result in the discovery of an economic ore deposit. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically exploited.

The exploration costs of the Company will be based on certain assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that any cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

These exploration risks could also result in personal injury, environmental damage and potential legal liability. While the Company intends to maintain insurance with coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover such claims.

The time it takes to explore any project is dependent in part on obtaining various approvals. The time it requires to obtain such approvals is not certain. To the extent that these approvals and licences are issued at the discretion of the relevant regulatory authorities, there is no certainty that the Company will be able to obtain the grant of these necessary licences and approvals within any proposed timeframe, or at all.

#### **(c) Resource and reserve estimates**

Resource and reserve estimates are expressions of judgment based on knowledge, experience, industry practice and regulatory codes. Estimates that were valid when made may change significantly when new information becomes available. In addition, resource and reserve estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineral characteristics different from those predicted by past drilling, sampling and similar examinations, resource and reserve estimates may have to be adjusted and development plans may have to be altered in a way which could adversely affect the Company's operations.

#### **(d) Commodity price volatility**

The Company's performance and the viability of its projects will rely in part on prevailing commodity prices, which are beyond the control of the Company. The Company gives no assurance that the fluctuations in commodity prices will not affect the timing and viability of its projects.

#### **(e) Exchange rates**

International prices of various commodities are denominated in United States dollars whereas the income and expenditure of the Company are and will be accounted for in Brazilian and Australian currencies, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and each of the Australian dollar and the Brazilian Real as determined in international markets.

(f) Land owner and access risk

The Company may be required to pay compensation to land owners, local authorities, traditional land users and others who may have an interest in the area covered by a mining tenement. The Company's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of the Company's operations.

If the Company is unable to resolve such compensation claims on economic terms, this could have a material adverse effect on the business, results or operations and financial condition of the Company. Further, in Brazil, exploration works may only begin on an exploration tenement once agreement has been reached in relation to compensation of the relevant landowners, or in the absence of agreement, once the value of the compensation is set by a court of law.

Access to land for exploration purposes can be affected by land ownership, nature reserves and national parks, government regulation and environmental restrictions. Access is critical for exploration and development to succeed and the ability to be able to negotiate satisfactory commercial arrangements with landowners, farmers and occupiers is often essential.

(g) Title risk

Title to a mining tenement will be subject to the holder complying with the terms and conditions of the tenement. There is a risk that if the holder does not comply with the terms and conditions of each tenement, it may lose its interest in the relevant tenement. In particular, all the mining tenements in Brazil which the Company has or may, upon grant, have an interest in will be subject to the completion of sufficient exploration activities in a three year period. If any of the mining tenements have not had sufficient exploration activities to meet the relevant Brazilian reporting standards, the tenements may be removed and the Company may suffer damage through loss of opportunity to develop any mineral resources on that tenement.

Further, all of the tenements in which the Company has or will have an interest may be subject to applications for renewal or extension from time to time. The renewal or extension of the term of each tenement is subject to the applicable legislation in the relevant jurisdiction. If a tenement is not renewed for any reason, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

The Company will also apply for new tenements from time to time, the grant of which is subject to applicable legislation in the relevant jurisdiction. There is no guarantee the tenements applied for will be granted or granted in a timely manner which may create lost opportunity for the Company.

(h) Sovereign risk

The Company's exploration and development activities are predominantly to be carried out in Brazil. As a result, the Company will be subject to political, social, economic and other uncertainties including, but not limited to, changes in policies or the personnel administering them, foreign exchange restrictions, changes of law affecting foreign ownership, currency fluctuations, royalties and tax increases in that country. Other potential issues contributing to uncertainty such as repatriation of income, exploration licensing, environmental protection and government control over mineral properties, changes to political, legal, regulatory, fiscal and exchange control systems and changes in government may also impact the Company's projects or operations.

(i) Contract risks

The Company's subsidiaries may operate through a series of contractual relationships with operators and sub-contractors. All contracts carry risks associated with the performance by the parties thereto of their obligations as to time and quality of work performed. Any disruption to services or supply may have an adverse effect on the financial performance of the Company's operations.

The following specific contract risks should also be noted by investors and potential investors.

*Earn In Agreement on Pará Exploration Package*

The Company has entered into a binding agreement with its strategic alliance partner in Brazil, Terrativa, to earn into the Pará Exploration Package (Pará EP). Under this agreement, once the Company completes its earn-in obligation of Brazilian Real (BRL) 2.5 million over two years it is required to issue to Terrativa 30 million Shares to exercise the option, as well as 3 tranches of 30 million performance rights, each of which converts into one Share on the fulfilment of the applicable vesting conditions in relation to the particular tranche (which are tied to resource-based milestones on the tenement package that forms the Pará EP).

The Company has obtained waivers under Listing Rule 7.3.2 in connection with the issue of the future shares and performance rights, so as to permit the relevant securities to be issued up until 2 December 2018.

The issue of the future Shares and performance rights were approved by shareholders at the Company's 2017 AGM held on 24 May 2017. As such, upon meeting the earn-in obligation, the Company may issue the Shares and performance rights and have all of the tenements that form the Para EP transferred to the Company. If the earn-in obligation is not met and the Shares and performance rights are not issued then the Company will not retain any interest in the Para EP tenements.

### *Conquista Iron Ore Project*

The Company has granted a 12 month option over the Conquista Iron Ore Project to parties associated with the Ecosinter Group. Should the option be exercised, Centaurus will receive a 12% royalty on all future production from the project, with R\$3 million (approximately A\$1.2 million) being receivable as an advance of the royalty on exercise of the option. There is no guarantee that the option will be exercised and as such potential cash flows from the royalty stream may not occur.

#### (j) Regulatory risk

Exploration activities by the Company may require approvals from regulatory authorities which may be delayed, not be forthcoming or which may not be able to be obtained on terms acceptable to the Company. While the Company has no reason to believe that all requisite approvals will not be forthcoming and whilst the Company's obligations for expenditure will be predicated on any requisite approvals being obtained, applicants should be aware the Company cannot guarantee any requisite approvals will be obtained. A delay or failure to obtain any approvals would mean the ability of the Company to explore any project, or possibly acquire any project, may be limited or restricted either in part or absolutely.

The regulatory environment for the Company's activities could change in ways that could substantially increase the Company's liabilities, tax liability or costs of compliance. This could materially and adversely affect the Company's financial position.

#### (k) Equipment risk

The exploration activities of the Company could be adversely affected if essential drilling equipment fails, is delayed or is unavailable when required by the Company.

#### (l) Environmental risk

The Company's projects are subject to various environmental laws. As with all exploration and development projects, the projects have a variety of environmental impacts. The Company will continue to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

Although the Company believes that it is in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforeseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations might materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and results of operations.

#### (m) Litigation risk

The Company is subject to litigation risks. All industries, including the minerals exploration and mining industry, are subject to legal claims, with and without merit. Defence and settlement costs of legal claims can be substantial, even with respect to claims that have no merit.

Due to the inherent uncertainty of litigation processes, the resolution of any particular legal proceeding to which the Company is or may become subject could have a material effect on its financial position, results of operations or the Company's activities.

#### (n) Taxation risk

Any change in laws and regulations applicable to the taxation of income, intercompany transactions, withholding taxes, levies and other transactional taxes affecting the Company in the countries it operates in or in which it is listed, or any change in the current interpretation or any disputes with tax authorities or any changes to the Company's income mix, may adversely affect its tax status and increase its tax payable, which would have a negative effect on financial results.

#### (o) Key person risk

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management, each of whom has knowledge and experience of the Company's operations that cannot be replicated by others in the short term. The CEO and management may, subject to the relevant periods of notice specified in their employment agreements with the Company, terminate their employment relationship with the Company at any time and the loss of any member of the senior management team could harm the Company's business.

It may be difficult to secure replacements with appropriate experience and expertise and it may be difficult to replace senior management in the short term. This may adversely affect the Company's business.

(p) Employment law risk

From time to time, the Company may receive claims from former employees in the Brazilian labour court system for a variety of labour related matters which may or may not have merit. The Company's approach is to defend these claims as they arise. As with any litigation the outcome of any claim will not be known until heard by the court. Any claim which is not able to be successfully defended may result in a loss to the Company.

### 3.3 General risks

(a) Securities investments

Applicants should be aware that there are risks associated with any securities investment. The prices at which the Shares trade may be above or below the issue price, and may fluctuate in response to a number of factors. Further, the stock market has experienced price and volume fluctuations. There can be no guarantee trading prices will not be subject to fluctuation. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(b) Share market conditions

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Brazil, the rate of growth of gross domestic product, interest rates and the rate of inflation.

(d) Policies and legislation

Any material adverse changes in government policies or legislation of Australia, Brazil or any other country in which the Company has economic interests may affect the viability and profitability of the Company.

(e) Investment speculative

The above risk factors ought not to be taken as an exhaustive list of the risks faced by the Company or by prospective investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the New Shares and New Options offered under this Prospectus. Therefore, the New Shares and New Options to be issued pursuant to this Prospectus carry no guarantee for the payment of dividends, returns of capital or their market value. Prospective investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for New Shares and New Options pursuant to this Prospectus.

## Section 4 ADDITIONAL INFORMATION

### 4.1 Continuous disclosure obligations

The Company is a "disclosing entity" under the Corporations Act and is subject to the regime of continuous disclosure and periodic reporting requirements. Specifically as a listed company, the Company is subject to the Listing Rules, which require continuous disclosure to the market of any information possessed by the Company, which a reasonable person would expect to have a material effect on the price or value of its securities.

### 4.2 Applicability of Corporations Act

As a "disclosing entity", the Company has issued this Prospectus in accordance with section 713 of the Corporations Act applicable to prospectuses for an offer of securities which are continuously quoted securities of a body or options to acquire such securities.

The New Shares to be issued under this Prospectus are ordinary shares i.e. a class of shares that were continuously quoted securities at all times in the 3 months before the issue of this Prospectus. The Shares to be issued when the New Options are exercised will be in the same class of shares that have been quoted on the ASX during the 3 months prior to the issue of this Prospectus.

Therefore, in preparing this Prospectus, regard has been had to the fact the Company is a disclosing entity for the purposes of the Corporations Act and matters may reasonably be expected to be known to investors and professional advisers whom investors may consult. It must be read in the context of, and having regard to, the Company's continuous disclosure obligations and publicly available information regarding the Company and its business.

The ASX maintains files containing publicly disclosed information about all listed companies. The Company's file is available for inspection at ASX in Perth during normal working hours. In addition, copies of documents lodged by, or in relation to, the Company with ASIC may be obtained from, or inspected at, any regional office of ASIC.

### 4.3 Information available to Shareholders

The Company will provide a copy of each of the following documents, free of charge, to any investor who so requests during the application period under this Prospectus. Alternatively, they can be downloaded from ASX's website at [www.asx.com.au](http://www.asx.com.au):

- (a) the Annual Report for the Company for the period ending 31 December 2016, which was lodged with ASIC on 24 March 2017;
- (b) the Half Yearly Report for the Company for the half year ending 30 June 2016; and
- (c) the following documents used to notify ASX of information relating to the Company during the period after lodgement of the Annual Report of the Company for the period ending 31 December 2016 and before the issue of this Prospectus:

Date	Description of ASX Announcement
12/07/2017	Appendix 3B
12/07/2017	Rights Issue to Advance Brazilian Gold and Copper Projects
07/07/2017	Serra Misteriosa – Large Mineralisation System Identified
15/06/2017	Salobo West Exploration Licence Granted in Carajas Province
31/05/2017	Change of Director's Interest Notice x 5
31/05/2017	Appendix 3B
30/05/2017	Resources Rising Stars Presentation
24/05/2017	Results of Meeting
24/05/2017	Chairman's Address to Shareholders
18/05/2017	Maiden Drill Program Underway at Serra Misteriosa
02/05/2017	Centaurus Closes in on Maiden Drilling Program at Serra
21/04/2017	Notice of Annual General Meeting/Proxy Form
13/04/2017	Quarterly Cashflow Report
13/04/2017	Quarterly Activities Report
10/04/2017	Centaurus Grants Option over Conquista Iron Ore Project
07/04/2017	Initial Director's Interest Notice
07/04/2017	Change of Director's Interest Notice x 3
04/04/2017	April 2017 Investor Roadshow Presentation

Date	Description of ASX Announcement
03/04/2017	Centaurus Appoints Steve Parsons as Non-Executive Director
31/03/2017	Expiry of Listed Options
27/03/2017	Waivers From Listing Rule 7.3.2
24/03/2017	Corporate Governance Statement and Appendix 4G

#### 4.4 Rights attaching to New Shares

The New Shares to be issued under the Rights Issue pursuant to this Prospectus will rank equally in all respects with existing Shares. Full details of the rights attaching to the Shares are set out in the Company's Constitution, a copy of which can be inspected at the Company's registered office. The following is a summary of the principal rights which attach to the Shares:

(a) Voting

Every holder of Shares present in person or by proxy, attorney or representative at a meeting of Shareholders has one vote on a vote taken by a show of hands, and, on a poll every holder of Shares who is present in person or by proxy, attorney or representative has;

- (i) one vote for every fully paid Share held by him or her; and
- (ii) a fraction of one vote for each partly paid up Share held by him or her.

A poll may be demanded by the chairman of the meeting, by at least five Shareholders entitled to vote on the particular resolution present in person, or by any one or more Shareholders who are together entitled to not less than 5% of the total voting rights of the Shares held by all Shareholders who have the right to vote on the resolution.

(b) Dividends

The Directors may determine that Dividends are payable on Shares. New Shareholders will be entitled to dividends as a result of ownership of their New Shares in accordance with the Constitution.

(c) Further issue of securities

Subject to the Corporations Act and the Listing Rules, the Directors may allot, grant options over, or otherwise dispose of shares in the Company at the times and on the terms the Directors think fit but the Company shall not issue any share with a voting right more advantageous than that available to any share previously issued by the Company. A share may be issued with a preferential or special right.

(d) Transfer of Shares

A Shareholder may transfer Shares by a market transfer in accordance with any computerised or electronic system established or recognised by the Listing Rules or the Corporations Act for the purpose of facilitating dealings in Shares or by an instrument in writing in a form approved by ASX or in any other usual form or in any form approved by the Directors.

The Directors of the Company may refuse to register any transfer of Shares, (other than a market transfer) where the Company is permitted or required to do so by the Listing Rules or the ASX Settlement Operating Rules. The Company must not prevent, delay or interfere with the generation of a proper market transfer in a manner which is contrary to the provisions of any of the Listing Rules or the ASX Settlement Operating Rules.

(e) Meetings and notice

Each Shareholder is entitled to receive notice of and to attend general meetings for the Company and to receive all notices, accounts and other documents required to be sent to Shareholders under the Constitution, the Corporations Act or the Listing Rules.

(f) Liquidation rights

A liquidator may, with the authority of a special resolution of Shareholders:

- (i) distribute among the Shareholders the whole or any part of the remaining property of the Company; and
- (ii) decide how to distribute the property as between the Shareholders or different classes of Shareholders.

The liquidator may vest the whole or any part of the assets in trust for the benefit of Shareholders as the liquidator thinks fit, but no Shareholder can be compelled to accept any shares or other securities in respect of which there is any liability.

(g) Alteration and reduction of capital

The Company may, by resolution, alter its capital in any manner permitted by law and subject to the Corporations Act, the Company may by special resolution reduce its capital.

(h) Indemnities

Subject to the Corporations Act, the Company must indemnify each past and present officer against liability incurred by that person as an officer of the Company and any legal costs incurred in defending an action in respect of such liability.

(i) Shareholder liability

As the New Shares offered under the Prospectus are fully paid Shares, they are not subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least three quarters of shareholders present and voting at the general meeting. At least 28 days' written notice, specifying the intention to propose the resolution as a special resolution must be given.

(k) Listing Rules

Despite anything in the Constitution, if the Listing Rules prohibit an act being done, the act must not be done. Similarly, nothing in the Constitution prevents an act being done that the Listing Rules require to be done. If the Listing Rules require an act to be done or not to be done, authority is given for that act to be done or not to be done (as the case may be). If the Listing Rules require the Constitution to contain a provision or not to contain a provision the Constitution is deemed to contain that provision or not to contain that provision (as the case may be). If a provision of the Constitution is or becomes inconsistent with the Listing Rules, the Constitution is deemed not to contain that provision to the extent of the inconsistency.

#### 4.5 Rights attaching to New Options

The New Options intended to be granted under this Prospectus will be granted under the following terms and conditions:

(a) Entitlement

Each New Option entitles the holder to subscribe for one Share upon exercise of each New Option.

(b) Exercise price and end date

The exercise price for each New Option is \$0.01 and the end date of each New Option is 31 August 2019.

(c) Exercise period

New Options are exercisable at any time after they are issued and on or prior to 5pm (WST) on their end date.

(d) Notice of exercise

New Options may be exercised by notice in writing to the Company ("**Notice of Exercise**") and payment of the exercise price for each New Option being exercised. Any Notice of Exercise of a New Option received by the Company will be deemed to be a notice of the exercise of that New Option as at the date of receipt.

(e) Shares issued on exercise

Shares issued on exercise of the New Options rank equally with the Shares of the Company.

(f) Quotation of Shares on exercise

Application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the New Options.

(g) Timing of issue of Shares

After a New Option is validly exercised, the Company must, as soon as possible following receipt of the Notice of Exercise and receipt of cleared funds equal to the sum payable on the exercise of the New Option:

- issue and allot the Share; and
- do all such things necessary to obtain the grant of official quotation of the Share on ASX no later than 5 Business Days after issuing the Share.

(h) Participation in new issues

There are no participation rights or entitlements inherent in the New Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the New Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least five Business Days after the issue is announced. This will give the holders of New Options the opportunity to exercise their New Options prior to the date for determining entitlements to participate in any such issue.

(i) Adjustment for bonus issues of Shares

If the Company makes a bonus issue of Shares or other securities to existing Shareholders (other than an issue in lieu or in satisfaction of dividends or by way of dividend reinvestment):

- (i) the number of Shares which must be issued on the exercise of a New Option will be increased by the number of Shares which the New Option holder would have received if the New Option holder had exercised the New Option before the record date for the bonus issue; and
- (ii) no change will be made to the exercise price for the New Options.

(j) Adjustments for reorganisation

If there is any reconstruction of the issued share capital of the Company, the rights of the New Option holders will if required be varied to comply with the Listing Rules which apply to the reconstruction at the time of the reconstruction.

(k) Quotation of New Options

Application will be made by the Company to ASX for quotation of the New Options.

(l) New Options transferable

New Options are transferable provided the transfer of the New Options does not contravene section 707(3) of the Corporations Act.

#### 4.6 Interests of Directors

(a) Directors' holdings

At the date of this Prospectus the relevant interest of each of the Directors in the Shares and Options of the Company are as follows:

Directors	Ordinary Shares	Listed Options	Vested Unlisted Options <sup>1</sup>	Unvested Unlisted Options <sup>2</sup>
Didier Murcia	8,487,968	1,591,494	4,000,000	8,500,000
Darren Gordon	37,908,416	7,107,828	10,000,000	18,000,000
Mark Hancock	2,363,930	443,236	3,000,000	6,000,000
Bruno Scarpelli	-	-	6,750,000	13,250,000
Steven Parsons	2,000,000	-	1,750,000	5,250,000

<sup>1</sup> Mr Murcia holds 500,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2018, 1,000,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2019 and 2,500,000 vested unlisted Options having an exercise price of \$0.013 and expiring on 31 May 2020.

Mr Gordon holds 2,000,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2018, 3,000,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2019 and 5,000,000 vested unlisted Options having an exercise price of \$0.013 and expiring on 31 May 2020.

Mr Hancock holds 500,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2018, 750,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2019 and 1,750,000 vested unlisted Options having an exercise price of \$0.013 and expiring on 31 May 2020.

Mr Scarpelli holds 500,000 vested unlisted Options having an exercise price of \$0.125 and expiring 31 August 2018, 1,000,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2018, 1,500,000 vested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2019 and 3,750,000 vested unlisted Options having an exercise price of \$0.013 and expiring on 31 May 2020.

Mr Parsons holds 1,750,000 vested unlisted Options having an exercise price of \$0.013 and expiring on 31 May 2020.

<sup>2</sup> Mr Murcia holds 1,000,000 unvested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2020, 2,500,000 unvested unlisted Options having an exercise price of \$0.014 and expiring on 31 May 2021 and 5,000,000 unvested unlisted Options having an exercise price of \$0.015 and expiring on 31 May 2022.

Mr Gordon holds 3,000,000 unvested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2020, 5,000,000 unvested unlisted Options having an exercise price of \$0.014 and expiring on 31 May 2021 and 10,000,000 unvested unlisted Options having an exercise price of \$0.015 and expiring on 31 May 2022.

Mr Hancock holds 750,000 unvested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2020, 1,750,000 unvested unlisted Options having an exercise price of \$0.014 and expiring on 31 May 2021 and 3,500,000 unvested unlisted Options having an exercise price of \$0.015 and expiring on 31 May 2022.

Mr Scarpelli holds 500,000 unvested unlisted options having an exercise price of \$0.125 and expiring 31 August 2018, 1,500,000 unvested unlisted Options having an exercise price of \$0.0082 and expiring on 10 June 2020, 3,750,000 unvested unlisted Options having an exercise price of \$0.014 and expiring on 31 May 2021 and 7,500,000 unvested unlisted Options having an exercise price of \$0.015 and expiring on 31 May 2022.

Mr Parsons holds 1,750,000 unvested unlisted Options having an exercise price of \$0.014 and expiring on 31 May 2021 and 3,500,000 unvested unlisted Options having an exercise price of \$0.015 and expiring on 31 May 2022.

(b) Remuneration of Directors

Fees and payments to Executive Directors reflect the demands which are made on, and the responsibilities of, the Directors. Executive Directors' remuneration is reviewed at least annually by the Board. The base remuneration is presently \$300,000 per annum (exclusive of superannuation) for the Managing Director and approximately \$168,000 for the Brazil Country Manager, Mr Bruno Scarpelli.

Non - Executive Directors' fees are determined within an aggregate Directors' fee pool limit, which is periodically recommended for approval by Shareholders. The maximum currently stands at \$400,000 per annum and was approved by Shareholders at the general meeting on 23 November 2012. The level of fees for Non-Executive Directors is presently set at \$30,000 per annum and \$45,000 per annum for the Non-Executive Chairman. Details of remuneration provided to Directors and their associated entities during the past 2 financial years are as follows:

**Financial year ended 31 December 2016**

Directors	Fees / Salaries \$	Super-annuation \$	Shares in Lieu of Salary \$	Long Service Leave \$	Other non-monetary remuneration \$	Total \$
Didier Murcia	45,000	-	-	-	3,347	48,347
Darren Gordon	288,880	19,308	28,000	7,326	11,065	354,579
Mark Hancock	30,000	-	-	-	2,766	32,766
Bruno Scarpelli	160,123	-	-	-	14,115	174,238

**Financial year ended 31 December 2015**

Directors	Fees / Salaries \$	Super-annuation \$	Shares in Lieu of Salary \$	Long Service Leave \$	Other non-monetary remuneration \$	Total \$
Didier Murcia	61,250	-	-	-	-	61,250
Darren Gordon	334,139	15,937	20,000	(7,043)	(96,978)	266,055
Peter Freund <sup>1</sup>	28,919	2,747	-	-	-	31,666
Mark Hancock	40,833	-	-	-	-	40,833
Bruno Scarpelli <sup>2</sup>	61,297	-	-	-	4,946	66,243

<sup>1</sup> Resigned as a Director on 3 September 2015

<sup>2</sup> Appointed as an executive director on 3 September 2015

Except as disclosed in this Prospectus, no Director (whether individually or in consequence of a Director's association with any company or firm or in any material contract entered into by the Company) has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company; or
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any Director or to any company or firm with which a Director is associated to induce him to become, or to qualify as, a Director, or otherwise for services rendered by him or his company or firm with which the Director is associated in connection with the formation or promotion of the Company or the Rights Issue.

#### 4.7 Interests of named persons

Except as disclosed in this Prospectus, no expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, nor any firm in which any of those persons is or was a partner nor any company in which any of those persons is or was associated with, has now, or has had, in the 2 year period ending on the date of this Prospectus, any interest in:

- the formation or promotion of the Company;
- property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Rights Issue; or
- the Rights Issue.

Except as disclosed in this Prospectus, no amounts of any kind (whether in cash, Shares, Options or otherwise) have been paid or agreed to be paid to any expert, promoter or any other person named in this Prospectus as performing a function in a professional advisory or other capacity in connection with the preparation or distribution of the Prospectus, or to any firm in which any of those persons is or was a partner or to any company in which any of those persons is or was associated with, for services rendered by that person in connection with the formation or promotion of the Company or the Rights Issue.

CPS Capital Ltd was appointed as the Lead Manager and Underwriter to the Rights Issue under this Prospectus pursuant to an agreement with the Company (**Underwriting Agreement**). Pursuant to the Underwriting Agreement, CPS Capital will provide services relating to the management and marketing of the Rights Issue. In consideration for the services provided pursuant to the Underwriting Agreement, the Company will pay CPS Capital the following fees:

- a lead manager fee of \$60,000;
- a management fee of 1% of the total amount raised;
- an underwriting fee of 5.0% (excluding GST) of the Underwritten Amount;
- a shortfall fee of 5.0% (excluding GST) on any Residual Securities placed by CPS in the 3 months after the close of the Rights Issue.
- the Company will reimburse CPS Capital for all reasonable expenses properly incurred in the provision of the services under the Underwriting Agreement.

The Company appointed CPS Capital as lead manager and underwriter in relation to a previous rights issue announced by the Company on 12 October 2016. The terms of the agreement between the Company and CPS Capital provided for a lead manager fee of 2.5% on the total amount raised, an underwriting fee of 5.0% of the underwritten amount, a shortfall fee of 5.0% on any residual securities placed and reimbursement of reasonable expenses incurred. A total of \$123,589 (excluding GST) was paid to CPS.

The Company appointed CPS Capital to act as lead manager for a Share Placement announced on 17 June 2016. The terms of the agreement between the Company and CPS Capital provided for the issue of 10,000,000 Shares to CPS Capital and other brokers who participated in the raise as full consideration of the services performed in raising the funds under the Share Placement.

The above arrangements summarise and reflect the only other payments or benefits that CPS Capital has received from the Company in the 2 years prior to the date of this Prospectus.

Murcia Pestell Hillard has acted as solicitors to the Company in relation to the Rights Issue. For their professional services on this Prospectus, the Company will pay approximately \$7,500 (excluding GST). Murcia Pestell Hillard has provided other professional services to the Company during the last 2 years amounting to approximately \$125,000 (excluding GST).

Except where otherwise specified, the amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company for those amounts.

#### 4.8 Expenses of the Rights Issue

The approximate expenses of the Rights Issue are \$250,000. These expenses are payable by the Company.

#### 4.9 Consents

Each of the parties referred to in this Section 4.9:

- (a) does not make, or purport to make, any statement in this Prospectus or on which a statement made in the Prospectus is based, other than as specified in this Section 4.9; and
- (b) to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section 4.9.

The Share Registrar has given and, as at the date hereof, has not withdrawn, its written consent to be named as share registrar in the form and context in which it is named. The Share Registrar has had no involvement in the preparation of any part of the Prospectus other than being named as share registrar to the Company. The Share Registrar has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

CPS Capital has given, and has not withdrawn, its consent to being named as Lead Manager and Underwriter to the Rights Issue in the Corporate Directory of this Prospectus in the form and context in which it is named. CPS Capital has not caused or authorised the issue of this Prospectus or the making of this Rights Issue. CPS Capital does not make or purport to make any statement in this Prospectus and takes no responsibility for any part of this Prospectus or any omissions from this Prospectus.

Murcia Pestell Hillard has consented to being named in this Prospectus as the solicitors to the Rights Issue and has not withdrawn such consent prior to the lodgement of this Prospectus with ASIC.

#### 4.10 Electronic Prospectus

The offer pursuant to an Electronic Prospectus is only available to Eligible Shareholders receiving an electronic version of this Prospectus within Australia and New Zealand.

If you have received this Prospectus as an Electronic Prospectus please ensure you have received the entire Prospectus accompanied by the Entitlement and Acceptance Form. If you have not, please email the Company at [office@centaurus.com.au](mailto:office@centaurus.com.au) and the Company will send to you, free of charge, either a hard copy or a further electronic copy of the Prospectus or both.

The Company reserves the right not to accept an Entitlement and Acceptance Form and/or Residual Securities Application Form from a person if it has reason to believe that when that person was given access to the electronic Entitlement and Acceptance Form or Residual Securities Application Form, it was not provided together with the Electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered. New Shares, New Options or Residual Securities will not be issued except upon receipt of valid Entitlement and Acceptance forms or Residual Securities Application Forms, as appropriate, attached to this Prospectus.

## Section 5 DEFINED TERMS

**\$** means Australian dollars, unless otherwise stated;

**Additional New Shares** means New Shares in addition to an Eligible Shareholder's Entitlement for which an Eligible Shareholder makes an Application;

**Application** means an application for New Shares and associated New Options pursuant to the Entitlement and Acceptance Form;

**Application Money** means the money received from Eligible Shareholders with respect to completed and returned Entitlement and Acceptance Forms;

**ASIC** means the Australian Securities & Investments Commission;

**ASX** means ASX Limited (ACN 008 624 691) and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

**ASX Settlement** means ASX Settlement Pty Ltd ACN 008 504 532;

**ASX Settlement Operating Rules** means the settlement operating rules of ASX Settlement as amended from time to time;

**Business Day** means every day other than a Saturday, Sunday, New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day;

**Conquista Iron Ore Project** means the wholly owned iron ore project situated in the municipality of Guanhões and approximately 40km from the Jambreiro Iron Ore Project;

**CHESS** means ASX Clearing House Electronic Sub-register System;

**Closing Date** means the closing date of the Rights Issue being 4 August 2017, subject to the right of the Company to vary that date (in accordance with the Listing Rules);

**Company** and **CTM** means Centaurus Metals Limited (ACN 009 468 099);

**Constitution** means the constitution of the Company;

**Corporations Act** means the *Corporations Act 2001* (Cth);

**Directors** mean the directors of the Company;

**Electronic Prospectus** means an electronic version of the Prospectus;

**Eligible Shareholder** means a Shareholder at the Record Date whose registered address is situated in Australia or New Zealand;

**Entitlement** means the entitlement of an Eligible Shareholder to participate in the Rights Issue, as shown on the Entitlement and Acceptance Form;

**Entitlement and Acceptance Form** means the entitlement and acceptance form accompanying this Prospectus;

**Existing Shares** means Shares on issue prior to the date of this Prospectus;

**Ineligible Shareholder** means a Shareholder (or beneficial holder of Shares) at the Record Date with a registered address outside Australia and New Zealand;

**Issue Date** means the issue date set out in the key dates timetable on page ii of this Prospectus;

**Jambreiro Iron Ore Project** means the wholly owned iron ore project situated in the municipality of Guanhões, 20km by road from the town centre and about 250km north-east of the state capital, Belo Horizonte, in the State of Minas Gerais, Brazil;

**Listed Options** means 226,233,707 Options that have an exercise price of \$0.01 and an expiry date of 30 April 2018 and which are quoted on ASX (ASX Code: CTMOA);

**Listing Rules** means the Listing Rules of ASX;

**New Options** means the New Options intended to be granted under this Prospectus, the terms of which are set out in Section 4.5;

**New Shares** means the Shares offered under this Prospectus, the terms of which are set out in Section 4.4;

**Notice of Exercise** has the meaning given in Section 4.5(d);

**Opening Date** means the opening date of the Rights Issue being 21 July 2017, subject to the right of the Company to vary that date;

**Option** means an option to acquire one Share;

**Pará Exploration Package** means the package of tenements in the State of Pará, northern Brazil secured from Terrativa under the earn-in agreement dated 3 December 2016 which includes the Serra Misteriosa Gold Project and the Salobo West Copper Gold Project;

**Prospectus** means this prospectus dated 13 July 2017 and includes the Electronic Prospectus (where applicable);

**Record Date** means 5 pm (WST), 20 July 2017;

**Residual Offer** means the offer of Residual Securities under this Prospectus described in Section 1.15;

**Residual Securities** means New Shares and New Options for which valid Applications have not been received by the Closing Date under the Rights Issue and which the Underwriter has not subscribed for in accordance with the Underwriting Agreement;

**Residual Securities Application Form** means the residual securities application form either attached to or accompanying this Prospectus;

**Rights Issue** means the issue pursuant to this Prospectus on a pro-rata renounceable basis of 5 New Shares for every 9 Shares held on the Record Date at an issue price of \$0.004 per New Share, with 1 free attaching New Option for every 1 New Share subscribed for exercisable at \$0.01 on or before 31 August 2019;

**Rights Trading Period** means the period between the date rights trading under the Rights Issue begins, being 19 July 2017, and the date rights trading under the Rights Issue ends, being 28 July 2017, as set out in the timetable on page [ii] of this Prospectus;

**Section** means a section of this Prospectus;

**Share** means an ordinary fully paid share in the capital of the Company;

**Share Registrar** means Advanced Share Registry Limited (ACN 127 175 946);

**Shareholder** means the holder of a Share;

**Shortfall Options** means up to 312,500,000 New Options;

**Shortfall Shares** means up to 312,500,000 New Shares;

**Terrativa** means Brazilian mining group Terrativa Minerais SA, a company with which Centaurus has a strategic alliance in Brazil;

**Underwriter, Lead Manager or CPS Capital** means CPS Capital Group Pty Ltd (ACN 088 055 636);

**Underwriting Agreement** means the lead manager and underwriting agreement between the Company and the Underwriter dated 12 July 2017 and referred to in Clause 4.7;

**Underwritten Amount** is \$1,250,000;

**Unlisted Options** means 98,500,000 Options (vested and unvested) that have an exercise price ranging from \$0.0082 to \$0.125 and expiry dates ranging from 10 June 2018 to 31 May 2022 which are not quoted on ASX; and

**WST** means Australian Western Standard Time.

## Section 6 DIRECTORS' RESPONSIBILITY STATEMENT & CONSENT

The Directors state they have made all reasonable enquiries and on that basis have reasonable grounds to believe any statements made by the Directors in this Prospectus are not misleading or deceptive and for any other statements made in this Prospectus by persons other than the Directors, the Directors have made reasonable enquiries and on that basis have reasonable grounds to believe persons making the statement or statements were competent to make such statements, and those persons have given their consent to the statements being included in this Prospectus in the form and context in which they are included and have not withdrawn that consent before lodgement of this Prospectus with the ASIC, or to the Director's knowledge, before any issue of New Shares pursuant to this Prospectus.

The Prospectus is prepared on the basis certain matters may be reasonably expected to be known to likely investors or their professional advisers.

Each Director has consented to the lodgement of this Prospectus with ASIC and has not withdrawn that consent.

Dated: 13 July 2017

A handwritten signature in black ink, appearing to read 'Darren Gordon', is written over a horizontal line.

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**Darren Gordon**  
Managing Director

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## ENTITLEMENT AND ACCEPTANCE FORM

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN DOUBT AS TO HOW TO DEAL WITH IT,  
PLEASE CONTACT YOUR STOCKBROKER OR LICENSED PROFESSIONAL ADVISOR.

ACN 009 468 099

REGISTERED OFFICE: Level 3, 10 Outram Street, West Perth, Western Australia 6005  
SHARE REGISTRY: Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia 6009

**THIS FORM IS FOR DISCLOSURE PURPOSES ONLY.  
DO NOT USE THIS FORM TO APPLY FOR YOUR ENTITLEMENTS.  
YOU WILL BE PROVIDED WITH A PERSONALISED FORM.**

Sub-Register	
HIN/SRN	
Shareholding at Record Date 20 July 2017	
Entitlement to Shares on 5 New Shares for every 9 Existing Shares held basis.	
Amount payable on acceptance at \$0.004 per Share	
Entitlement to 1 free attaching option for every New Share, based on Entitlement to Shares	

A renounceable pro-rata Rights Issue of up to 624,025,798 New Shares at an issue price of \$0.004 per New Share on the basis of 5 New Shares for every 9 existing Shares held at the Record Date, plus 1 free attaching option for every New Share issued to raise up to approximately \$2,500,000 before expenses.

**RENOUNCEABLE RIGHTS ISSUE, CLOSING 5.00 PM (WST) ON 4 AUGUST 2017**

**To the Directors  
CENTAURUS METALS LIMITED**

- I/We the above mentioned, being registered on 20 July 2017 as the holder(s) of Shares in your Company hereby accept the below mentioned securities in accordance with the enclosed Prospectus;
- I/We hereby authorise you to place my/our name(s) on the register of shareholders in respect of the number of Shares allotted to me/us and;
- I/We agree to be bound by the Constitution of the Company.

ENTITLEMENT		
(A)	(B)	(C)=(A)+(B)
NUMBER OF NEW SHARES ACCEPTED (BEING NOT MORE THAN THE ENTITLEMENT SHOWN ABOVE)	NUMBER OF ADDITIONAL NEW SHARES APPLIED FOR (IN EXCESS OF THE ENTITLEMENT SHOWN ABOVE)	AMOUNT ENCLOSED @ \$0.004 PER SHARE

METHOD OF ACCEPTANCE					
You can apply for New Shares and make your payment utilising one of the payment options detailed overleaf, however please indicate which payment option you have chosen by marking the relevant box below.					
<input type="checkbox"/>	Please enter cheque or bank draft details	<b>Drawer</b>	<b>Bank</b>	<b>Branch</b>	<b>Amount</b>
					\$
OR					
<input type="checkbox"/>	 Biller Code: Ref No.:	You can pay by BPAY. If you choose to pay by BPAY, you do not need to return this form. Please refer overleaf for details.			

NOTE: Cheques should be made payable to **Centaurus Metals Limited** crossed NOT NEGOTIABLE and forwarded to Advanced Share Registry Ltd, 110 Stirling Highway, Nedlands, Western Australia, 6009 to arrive no later than 5.00pm (WST) on **4 August 2017**

INSTRUCTIONS TO YOUR STOCKBROKER	
I/We have accepted	<input style="width: 150px; height: 20px;" type="text"/> New Shares and New Options
I/We wish to sell	<input style="width: 150px; height: 20px;" type="text"/> entitlements to New Shares and New Options
This instruction (*has/*has not) previously been notified to you. (* Delete whichever is not applicable)	

CONTACT DETAILS	
Name:	<input style="width: 750px; height: 20px;" type="text"/>
Telephone:	<input style="width: 330px; height: 20px;" type="text"/>
Email:	<input style="width: 750px; height: 20px;" type="text"/>
Complete and sign below only if a change of address is to be registered with the Company	
New Address:	<input style="width: 750px; height: 20px;" type="text"/>
Signature(s):	<input style="width: 330px; height: 20px;" type="text"/> Date: <input style="width: 200px; height: 20px;" type="text"/>
Please indicate correct title: Director / Secretary / .....	
<b>CHESSE holders must contact their Controlling Participant to notify a change of address.</b>	

## EXPLANATION OF ENTITLEMENT

1. The front of this form sets out the number of New Shares, which you are entitled to accept.
2. Your entitlement may be accepted either in full or in part. There is no minimum acceptance.
3. The price payable on acceptance of each Share is \$0.004
4. Please complete the Entitlement and Acceptance Form overleaf.

## APPLICATION INSTRUCTIONS

### Payment Details

You can apply for Shares by utilising the payment options detailed below. There is no requirement to return this Form if you are paying by electronic means.

By making your payment using either BPAY or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the Centaurus Metals Limited Prospectus as enclosed with this form.

Your cheque, bank draft or money order should be made payable to **CENTAURUS METALS LIMITED** in Australian currency and crossed "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments may result in your Application being rejected. Complete cheque details in the boxes provided.

Cheques will be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your Application being rejected. Paperclip (do not staple) your cheque(s) to the Entitlement and Acceptance Form. Cash will not be accepted. A receipt for payment will not be forwarded.

If the amount you pay is insufficient to pay for the number of Shares you apply for, you will be taken to have applied for such lower number of Shares as that amount will pay for, or your application will be rejected.

If the amount you pay is more than the amount payable for your full Entitlement, you will be taken to have applied for the maximum number of Shares you are entitled to apply for. The excess money will be considered as your payment for an Application for Additional New Shares.

### Sale of your entitlements/rights

*Sale of your entitlement in full by your stockbroker:* Contact your stockbroker and verbally provide details as requested which appear overleaf or complete the "Instructions to your Stockbroker" section overleaf and forward this Entitlement and Acceptance Form to your Stockbroker.

*Sale of part of your entitlements/rights:* Complete the front of this Entitlement and Acceptance Form where indicated in respect of the New Shares and New Options for which you want to subscribe. Complete the section marked "Instructions to your Stockbroker" in respect of that part of your entitlement which you wish to sell. Lodge your completed Entitlement and Acceptance Form, together with your cheque for the amount due in respect of the New Shares you have accepted, with your stockbroker.

*Transfer of entitlements/rights other than on ASX:* If you wish to transfer your entitlements to another person other than on ASX, forward a completed and signed standard renunciation form(s) (obtainable from your Stockbroker or the Share Registry) together with your Entitlement and Acceptance Form to Advanced Share Registry Ltd prior to 5:00 pm (WST) on 4 August 2017.

*Entitlements Not Taken Up:* If you decide not to accept all or part of your entitlement, you are advised to deal with the Rights rather than allowing them to lapse. The part of the entitlement not accepted or dealt with will lapse and you will receive no benefit. It is therefore important that you take action either to accept or renounce (sell) your entitlement in accordance with the above instructions.

### Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that the registry has a query regarding this form.

### Lodgement of Application

If you are applying for Shares and your payment is being made by BPAY, you do not need to return this form however you are encouraged to return the form to the registry for reconciliation purposes – in that case you can post the form to the registry or send it by facsimile to (61) (08) 9262 3723. Your payment must be received by no later than 5.00 pm (WST) on 4 August 2017. Applicants should be aware that their own financial institution may implement earlier cut off times with regard to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by this time. If you are paying by cheque, bank draft or money order, your Application must be received by Advanced Share Registry Ltd ("ASW") by no later than 5.00 pm (WST) on 4 August 2017. You should allow sufficient time for this to occur. Return your Application with cheque, bank draft or money order attached. Neither Advanced Share Registry Ltd ("ASW") nor the Company accepts any responsibility if you lodge the Entitlement and Acceptance Form at any other address or by any other means.

### Privacy Statement

Personal information is collected on this form by ASW, as registrar for securities issuers ("the issuer"), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW. You can contact ASW using the details provided on the front of this form.

**If you have any enquiries concerning this form or your entitlement, please contact Advanced Share Registry on telephone 618 9389 8033 or fax 618 9262 3723.**



#### Telephone & Internet Banking – BPAY

Call your bank, credit union or building society to make this payment from your cheque or saving account.  
More info:  
[www.bpay.com.au](http://www.bpay.com.au)

#### By Mail

Centaurus Metals Limited  
C/- Advanced Share Registry Ltd  
PO Box 1156, Nedlands  
Western Australia 6909

#### By Delivery

Advanced Share Registry  
110 Stirling Hwy  
Nedlands  
Western Australia 6009



Broker Stamp

ACN 009 468 099

PIN CHEQUE(S) HERE

DO NOT COMPLETE THIS FORM UNLESS INSTRUCTED TO DO SO BY THE COMPANY'S DIRECTORS

RESIDUAL SECURITIES APPLICATION FORM

Complete this Application form if you want to apply for Residual Securities (as defined in the Rights Issue Prospectus dated 13 July 2017) in Centaurus Metals Ltd

- Please read the Prospectus dated 13 July 2017
Follow the instructions to complete this Application form (see reverse).
Print clearly in capital letters using black or blue pen.

Number of New Shares you are applying for: [ ] x \$0.004 per Share = Total amount payable [ ]

Every New Share applied for will receive one free attaching New Option exercisable at \$0.01 on or before 31 August 2019

A Write the name(s) you wish to register the Securities in (see reverse for instructions)
Applicant 1 [ ]
Name of Applicant 2 or < Account Designation > [ ]
Name of Applicant 3 or < Account Designation > [ ]

B Write your postal address here
Number / Street [ ]
Suburb/Town [ ] State [ ] Postcode [ ]

C CHESS participant - Holder Identification Number (HIN)
[X] [ ]

D Enter your Tax File Number(s), ABN, ACN or exemption category
Applicant #1 [ ] Applicant #2 [ ]
Applicant #3 [ ]

E Cheque payment details
Please enter details of the cheque(s) that accompany this application.
Name of drawer of cheque [ ] Cheque No. [ ] BSB No. [ ] Account No. [ ] Cheque Amount A\$ [ ]

F Contact telephone number (daytime/work/mobile) [ ] G Email address [ ]

By submitting this Application form, I/We represent and warrant that I/we have read and understood the Prospectus which accompanied this Application Form and declare that this Application is completed and lodged according to the Prospectus and the instructions on the reverse of this Application Form and declare that all details and statements made by me/us are complete and accurate. I/We agree to be bound by the constitution of Centaurus Metals Ltd and agree to the terms and conditions of the Rights Issue under this Prospectus (including the representations, warranties and agreements contained in the Prospectus), and in particular, that I/we have not relied on any other information provided by the Company other than as set out in this Prospectus when making my/our decision to invest. I/We represent, warrant and undertake to the Company that our subscription for the above Securities will not cause the Company or me/us to violate the laws of Australia or any other jurisdiction which may be applicable to this subscription for securities in the Company.

## RESIDUAL SECURITIES APPLICATION FORM INSTRUCTIONS

### YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE COMPLETING THE APPLICATION FORM

Please complete all relevant sections of this Residual Securities Application Form using BLOCK LETTERS.

These instructions are cross-referenced to each section of the Residual Securities Application Form.

#### INSTRUCTIONS

- A. Write your full name. Initials are not acceptable for first names.
- B. Enter your postal address for all correspondence. All communications to you from Centaurus Metals Limited will be mailed to the person(s) and address as shown. For joint Applicants, only one address can be entered.
- C. If you are sponsored in CHESS by a stockbroker or other CHESS participant, you may enter your CHESS HIN if you would like the allocation to be directed to your HIN. NB: your registration details provided must match your CHESS account exactly.
- D. Enter your Australian tax file number ("TFN") or ABN or exemption category, if you are an Australian resident. Where applicable, please enter the TFN/ABN of each joint Applicant. Collection of TFNs is authorised by taxation laws. Quotation of your TFN is not compulsory and will not affect your Application Form.
- E. Complete cheque details as requested. Make your cheque payable to Centaurus Metals Limited in Australian currency, cross it and mark it "Not Negotiable". Cheques must be made in Australian currency, and cheques must be drawn on an Australian Bank.
- F. Enter your telephone contact details so we may contact you regarding your Application Form or Application Monies.
- G. Enter your email address so we may contact you regarding your Application Form or Application Monies or other correspondence.

#### CORRECT FORMS OF REGISTRABLE TITLE

ONLY legal entities can hold the Securities. The Application must be in the name of a natural person(s), companies or other legal entities acceptable to the Company. At least one full name and surname is required for each natural person. Examples of the correct form of registrable title are set out below.

Type of Investor	Correct Form of Registrable Title	Incorrect Form of Registrable Title
Trusts	Mr John David Smith <J D Smith Family A/C>	John Smith Family Trust
Deceased Estates	Mr Michael Peter Smith <Est Lte John Smith A/C>	John Smith (deceased)
Partnerships	Mr John David Smith & Mr Ian Lee Smith	John Smith & Son
Clubs/Unincorporated Bodies	Mr John David Smith <Smith Investment A/C>	Smith Investment Club
Superannuation Funds	John Smith Pty Limited <J Smith Super Fund A/C>	John Smith Superannuation Fund

#### LODGMET

Deliver your completed Application Form with cheque(s) attached to the following:

*In person*

Advanced Share Registry Services  
110 Stirling Highway  
NEDLANDS WA 6009

*Or via post to*

Advanced Share Registry Services  
PO Box 1156  
NEDLANDS WA 6909

It is not necessary to sign or otherwise execute the Residual Securities Application Form.

If you have any questions as to how to complete the Residual Securities Application Form, please contact the Company Secretary on (08) 9420 4000.