

10 September 2010

Dear Shareholder

Invitation to Participate in Shareholder Share Purchase Plan

On 8 September 2010, Centaurus Metals Limited (**Centaurus** or **Company**) announced a placement of up to 192,000,000 fully paid ordinary shares in the capital of the Company (**Shares**) at 7.5 cents per Share to professional and sophisticated investors to raise approximately \$14.4 million before costs of the issue (**Placement**).

The Board of Directors of Centaurus are now pleased to offer eligible shareholders the opportunity to participate in a Shareholder Share Purchase Plan (**Plan**) to acquire additional Shares at the same issue price of 7.5 cents per Share as that paid by investors under the Placement.

Shareholders Eligible to Participate in the Plan

The right to participate in the offer under the Plan is optional and is available exclusively to shareholders who are registered as holders of Shares at 5pm (WST) on the Record Date of 7 September 2010 and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Share Purchase Plan

The Plan entitles Eligible Shareholders in the Company, irrespective of the size of their shareholding, to purchase up to \$15,000 worth of Shares at a price of 7.5 cents per Share (**Offer**). The Plan also enables Eligible Shareholders who hold shares as a “custodian” to participate in the Offer on behalf of each beneficiary on whose behalf the custodian is holding Shares up to a maximum amount of \$15,000 worth of Shares for each beneficiary.

The issue price of the Offer represents a 10.4% **discount** to the volume weighted average trading price of the Company’s Shares on the Australian Securities Exchange (**ASX**) during the 5 trading days immediately prior to the announcement date of the offer (being 8 September 2010).

The amount an Eligible Shareholder can subscribe for will be restricted to a cumulative total of \$15,000 worth of Shares.

Details of the Offer are set out in this letter and the enclosed Terms and Conditions together with an Entitlement and Acceptance Form.

Current Projects

Details of the Company’s current activities are set out in the announcements made by Centaurus to the ASX and are available from the ASX or Centaurus’ website at www.centaurus.com.au.

The funds raised under the Plan will be used by the Company in conjunction with funds raised from the recent placement (at the same price as the Plan) to progress exploration and development of the Company’s iron ore projects in Brazil.

How much can you invest?

Under the Plan, Eligible Shareholders may only acquire a maximum of \$15,000 worth of Shares under a share purchase plan in any 12 month period.

Subscription and Application Procedure

If you would like to participate in the Offer, you can either:

- complete the enclosed Entitlement and Acceptance Form and send it together with your payment by cheque made payable to “Centaurus Metals Limited – SPP Account” and drawn in Australian currency for the correct amount, to Centaurus’ share registry, Advanced Share Registry Services Ltd, at PO Box 1156, Nedlands, WA 6909, on or before the **Closing Date of 5pm (WST) on 28 September 2010**. No late applications will be accepted.
- make a BPAY[®] payment from your cheque or savings account by using the Biller Code and Reference Number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY[®] you do not need to return your Application Form. New Zealand holders will not be able to make a payment using BPAY[®]. Payments made by BPAY[®] received after **5pm (WST) on 28 September 2010** will not be accepted.

Applicants should not forward cash and direct bank transfers are not permitted.

Eligible Shareholders may participate by selecting only one of the following offers to purchase Shares under the Plan:

	Total amount payable at 7.5 cents per Share	Number of Shares which may be purchased
Offer A	\$15,000	200,000
Offer B	\$11,250	150,000
Offer C	\$7,500	100,000
Offer D	\$3,750	50,000
Offer E	\$1,875	25,000

Once an application has been made it cannot be revoked. All valid applications shall be deemed accepted if received before the **Closing Date of 5pm (WST) on 28 September 2010**. If the exact amount of money is not tendered with your application, Centaurus reserves the right to either:

- return your Entitlement and Acceptance Form and/or payment and not allot any Shares to you; or
- allot to you the number of Shares that would have been allotted had you applied for the highest designated amount that is less than the amount of your payment and refund the excess application money to you by cheque as soon as possible, without interest.

The maximum investment any shareholder may apply for will remain \$15,000 even if a shareholder receives more than one Offer (whether in respect of a joint holding or because the shareholder has more than one holding under a separate account).

Additional Information and Important Dates

The Offer cannot be transferred and the Directors of the Company reserve the right to reject, or scale back, on an equitable basis, any application. Shares allotted under the Plan will be issued no later than 10 business days after the Closing Date of the Offer. Application for quotation on ASX of the new Shares will be made immediately following the issue of those Shares.

The maximum amount proposed to be raised under the Offer is \$3,600,000. In the event of oversubscription by the Closing Date the Directors may, in their absolute discretion, scale-back applications on an equitable basis.

If the Company rejects or scales-back an application or purported application, the Company will promptly return to the shareholder the relevant application monies, without interest.

On the last trading day immediately prior to the announcement date of the Offer, the closing price of the Shares traded on ASX was 8.5 cents. The market price of the Shares in the Company may rise and fall between the date of the Offer and the date that any Shares are allotted to you as a result of your acceptance of this Offer. This means that the subscription price you pay for the Shares may exceed the market price of the Shares at the date of allotment of Shares under this Offer. The Board recommends that you obtain your own financial advice in relation to the Offer and consider price movements of Shares in the Company prior to accepting this Offer.

Shortfall Placement

In the event that less than the maximum number of Shares that are available for subscription pursuant to this Offer are applied for, the shortfall may be placed at the discretion of the directors.

Indicative Timetable

Record Date (5.00pm WST)	7 September 2010
Announcement Date of Plan	8 September 2010
Opening Date of Offer	14 September 2010
Closing Date of Offer	28 September 2010
Dispatch date for holding statements	6 October 2010
Quotation of Shares on ASX	8 October 2010

These dates are indicative only. The Company may vary the dates and times of the Offer without notice. Accordingly, shareholders are encouraged to submit their Entitlement and Acceptance Forms as early as possible.

Should you wish to discuss any information contained in this letter further, do not hesitate to contact Centaurus' Company Secretary, Mr Geoff James, on +618 9420 4000 or email, office@centaurus.com.au.

Yours faithfully,
CENTAURUS METALS LIMITED



Geoff James
Company Secretary

CENTAURUS METALS LIMITED ACN 009 468 099

TERMS AND CONDITIONS OF SHAREHOLDER SHARE PURCHASE PLAN

Purpose

The purpose of the Shareholder Share Purchase Plan (**the Plan**) is to offer shareholders of Centaurus Metals Limited (**Centaurus** or **Company**) the opportunity to acquire additional fully paid ordinary shares in the Company (**Centaurus Shares**) up to a maximum of \$15,000 (when combined with any shares issued under any share purchase plan in the 12 months preceding the date of the Plan) at 7.5 cents, being a 10.4% discount to the volume weighted average trading price of Centaurus Shares during the period 5 trading days prior to the announcement of the Offer on the financial market operated by ASX Limited (**ASX**) without the need to pay brokerage costs and without the need for Centaurus to issue a Prospectus, upon such terms and conditions as the board of directors of Centaurus, in its absolute discretion, sees fit.

Shareholders Eligible to Participate

Eligible shareholders of Centaurus Shares that are registered with an Australian or New Zealand address at the relevant record date may participate in the Plan. Due to foreign securities laws, it is not practical for shareholders resident in other countries to be offered the opportunity to participate in the Plan.

Participation in the Plan is optional and is subject to these terms and conditions. Offers made under the Plan are non-renounceable (i.e. eligible shareholders may not transfer their rights to any Centaurus Shares offered under the Plan).

An offer may, at the discretion of the directors of Centaurus, be made under the Plan once a year. The maximum amount, which any shareholder may subscribe for in any consecutive 12 month period, is \$15,000. The directors of Centaurus may also determine in their discretion the minimum amount for participation, the multiple of Centaurus Shares to be offered under the Plan and the period the offer is available to eligible shareholders.

Price of Centaurus Shares

The price of Centaurus Shares to be issued under the Plan will be 7.5 cents per Share. This price has been determined by calculating the volume weighted average market price of Centaurus Shares quoted on ASX during the period 5 trading days prior to the announcement of the Offer, and discounting this calculation by 10.4%.

Applications and Notices

At the discretion of the directors of the Company, Centaurus will send eligible shareholders a letter of offer and acceptance procedures, inviting them to subscribe for Centaurus Shares under the Plan, and accompanied by the terms and conditions of the Plan and an entitlement & acceptance form. Applications will not be accepted after the closing date of an offer. Over subscriptions to an offer may be refunded without interest.

Notices and statements made by Centaurus to participants may be given in any manner prescribed by its Constitution.

Placement of Shortfall

Any shortfall from the Offer may be placed at the discretion of the Directors.

Issue of Centaurus Shares

Centaurus Shares to be issued under the Plan will be issued as soon as reasonably practicable after the closing date specified by the Directors of Centaurus in the relevant offer.

Centaurus Shares issued under the Plan will rank equally in all respects with all other fully paid ordinary shares in Centaurus from the date of issue.

Shareholding statements or CHESS notification will be issued in respect of all Centaurus Shares issued under the Plan. The Company will, promptly after the issue of Centaurus Shares under the Plan, make application for those Centaurus Shares to be listed for quotation on the official list of ASX.

Modification and Termination of the Plan

Centaurus may modify or terminate the Plan at any time. Centaurus will notify ASX of any modification to, or termination of, the Plan. The omission to give notice of any modification to, or termination of, the Plan or the failure of ASX to receive such notice will not invalidate the modification or termination.

Without limiting the above, Centaurus may issue to any person fewer Centaurus Shares than the person applied for under the Plan if the issue of the Centaurus Shares applied for would contravene any applicable law or the Listing Rules of ASX.

Dispute Resolution

Centaurus may, in any manner it thinks fit, settle any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the Plan, whether generally or in relation to any participant, application or Centaurus Shares. The decision of Centaurus in this respect will be conclusive and binding on all shareholders and other persons to whom that determination relates.

Centaurus reserves the right to waive strict compliance with any provision of these terms and conditions. The powers of Centaurus under these conditions may be exercised by the directors of Centaurus or any delegate of the directors of Centaurus.

Questions and Contact Details

If you have any questions regarding the Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Mr Geoff James, Company Secretary on (08) 9420 4000.

CENTAURUS METALS LIMITED
ACN 009 468 099

Shareholder Share Purchase Plan Entitlement and Acceptance Form

Please return completed form to:
Advanced Share Registry Services Ltd
PO Box 1156, Nedlands
Western Australia 6909

Tel: (61 8) 9389 8033
Fax: (61 8) 9389 7871

Investor Website:
www.advancedshare.com.au

< BARCODE OF SRN / HIN >
Record Date: 5pm (WST) on 7 September 2010
Holder Identification Number (HIN): X0000000000

This is an offer to eligible shareholders to subscribe for additional shares in Centaurus Metals Limited (**Centaurus** or **Company**), up to a maximum value of \$15,000 and subject to a minimum application of \$1,875, under the Terms and Conditions of the Centaurus Shareholder Share Purchase Plan (**Plan**) accompanying this form and letter from the Company Secretary.

The price per Share will be 7.5 cents per Share (**Purchase Price**).

The market price of shares in Centaurus may rise or fall between the date of this offer and the date that the shares are allotted to you. This means that the subscription price you pay for the shares may exceed the market price of the shares at the date of allotment of the shares under this offer. We recommend that you obtain your own financial advice in relation to this offer and consider price movements of shares in Centaurus prior to accepting this offer.

The maximum subscription for each shareholder will apply **even if a shareholder received more than one offer** (whether in respect of a joint holding or because the shareholder has more than one holding under separate share accounts). Centaurus reserves the right to reject any application where this rule has not been complied with.

By accepting the Offer you agree to be bound by the Terms and Conditions of the Centaurus Shareholder Share Purchase Plan and the Constitution of Centaurus.

APPLICATION FOR SHARES

I/we being the above mentioned, being registered as ordinary shareholder(s) in Centaurus as at the record date of 5pm (WST) on 7 September 2010, do hereby apply for the number of ordinary shares in Centaurus as indicated below at the Purchase Price per share issued in accordance with the Terms and Conditions of the Centaurus Shareholder Share Purchase Plan. I/we confirm that the total cost of shares purchased by us (including through joint holding(s), multiple share accounts or any holding in which I/we have a beneficial interest(s) does not exceed \$15,000 in accordance with the Applicants Certification and Confirmation.

To participate in the Shareholder Share Purchase Plan shareholders must select only one of the following options. Please mark the selected box.

Please see overleaf for Payment Options

APPLICATION AMOUNT



Biller Code: #XXXXXX
Ref No: #XXXXXXXXXX

Offer A



\$15,000

OR

Offer B



\$11,250

OR

Offer C



\$7,500

OR

Offer D



\$3,750

OR

Offer E



\$1,875

Payment details:

Drawer	Bank	Branch or BSB	Amount

Cheques should be made payable to "Centaurus Metals Limited - SPP Account" and crossed "Not Negotiable".

Telephone number where we may contact you during business hours: (____) _____

Contact Name: _____

Offer Closes 5.00pm (WST) 28 September 2010

Applicant's Certification and Confirmation

1 By lodging this Entitlement and Acceptance Form you certify that the aggregate of the application price for the following does not exceed \$15,000:

- (a) the Centaurus ordinary shares that are the subject of this application; and
- (b) any other Centaurus ordinary shares applied for by you under the Plan (or any similar arrangement in the 12 months prior to the application), whether:
 - (i) in your own right, or
 - (ii) jointly with one or more persons, or
 - (iii) in your capacity as a beneficiary (as defined below),

but not including in your capacity as a trustee or nominee where it is expressly noted on Centaurus's register of members that your shareholding is held on account of another person.

If 2 or more persons are recorded in the register of members as jointly holding the Centaurus shares to which this entitlement relates, they are taken to be a single registered holder and this certificate given by any of them is taken to be given by all of them.

If a trustee or nominee is expressly noted on the Centaurus register of members as holding the shares to which this entitlement relates on account of another person (the "beneficiary"), this certification and confirmation is taken to be given by the beneficiary in respect of him/her/itself (and not the trustee or nominee).

2. By making your payment you confirm that you have read, understood and agreed to the terms and conditions of the Plan.

Notes

- The terms and conditions of the Shareholder Share Purchase Plan accompanying the enclosed letter from the Company Secretary should be read carefully.
- No priority will be afforded to applications on the basis of the date of receipt of such applications.
- Payments can be made by BPAY. If you pay via BPAY, you do not need to return this Application Form. Your BPAY reference number quoted in this form is unique to the SPP; or
- Payments can be made by cheque or bank draft in Australian dollars and drawn on an Australian branch of a financial institution.
- Cheques or bank drafts are to be made payable to: "**Centaurus Metals Limited - SPP Account**" and crossed with "**Not Negotiable**".
- Cheques will be deposited on their day of receipt. Sufficient cleared funds should be held in your account as your acceptance may be rejected if your cheque is dishonoured. Receipts for payment will not be issued.
- Cash payments will not be accepted.
- If you wish to accept this offer you can either make payment by BPAY or return this Entitlement and Acceptance Form duly completed together with a cheque for the subscription amount, posted to the address below and received by Advanced Share Registry Services Ltd **by 5pm (WST) on 28 September 2010**.
- Centaurus may reject an acceptance of this offer, in its absolute discretion, if this form is not completed in accordance with this offer, is incomplete or if the exact amount payable is not tendered with this form.

Receipt by Centaurus of this form duly completed, together with the full subscription amount, will constitute acceptance in accordance with the terms and conditions of the Shareholder Share Purchase Plan and the Constitution of Centaurus by the shareholder named on this form. A signature on this form is not required.

This offer is non-renounceable and as such may only be transferred after the shares are allotted.

QUESTIONS AND CONTACT DETAILS

If you have any questions regarding the Shareholder Share Purchase Plan or how to deal with this Offer, please contact your stockbroker or professional adviser or Centaurus' Company Secretary, Geoff James, on (08) 9420 4000.

Offer Closes 5.00pm (WST) 28 September 2010



By Telephone & Internet Banking – BPay

Call your bank, credit union or building society to make this payment from your cheque or savings account. More info: www.bpay.com.au

By Mail

Centaurus Metals Limited
Advanced Share Registry Services Ltd
PO Box 1156, Nedlands
Western Australia 6909