

19 October 2010

## CENTAURUS SHAREHOLDERS TO RECEIVE PRIORITY OFFER IN \$4M SOUTHERN CROWN RESOURCES IPO

*Prospectus lodged for IPO based on Centaurus' former Australian copper-gold assets*

Centaurus Metals Limited (ASX Code: **CTM**) is pleased to confirm that its shareholders will receive a priority offer to participate in the forthcoming **\$4 million IPO** of Southern Crown Resources Limited ('SCRL'), which has acquired Centaurus' former Dish and Percyvale Gold/Copper Projects.

Centaurus reached agreement to divest these non-core assets to SCRL in July, consistent with its focus on developing an iron ore business in Brazil.

The consideration for these assets is 1.56 million shares in SCRL, which will represent approximately 5% of the post-IPO issued capital and 2 million performance options of which 1 million will vest upon the definition of a resource of 250,000 gold equivalent ounces at the Dish project and the remaining 1 million of which will vest upon the definition of a resource of 250,000 gold equivalent ounces at the Percyvale project.

SCRL has lodged a Prospectus with ASIC for an Initial Public Offering ('IPO') which will see it issue 20 million shares at 20 cents each together with one free Option for every two shares issued to raise \$4 million to progress exploration activities. The Dish and Percyvale Projects are both located in well established mining districts that contain proven mineral deposits and production by major mining companies. Both project areas are prospective for gold and base metals, particularly copper.

The Dish Project is located 20 kilometres east of the North Parkes mine, operated by Rio Tinto, with total reported resources approximately 2.25 million ounces of gold and 1.58 million tonnes of copper. The Percyvale Project is a 1,100 square kilometre tenement package, 50 kilometres west of the historic Kidston Gold Mine, which produced approximately 3.4 million ounces of gold between 1985 and 2001.

In addition to undertaking further exploration on the Centaurus Projects, the Board and Management team of SCRL – which includes experienced mining executive Rhod Grivas – have advised Centaurus that they intend to actively pursue new resource project opportunities. Centaurus is confident that their broad experience and knowledge in the resource sector will deliver new projects which will add value for shareholders.

As anticipated in the previous announcement of 12 July 2010, under the Prospectus, Centaurus shareholders who are recorded on the share register as at the Record Date of 21 October 2010 will receive a priority offer to participate in the IPO.

Centaurus will soon be sending each eligible shareholder a letter which sets out how they need to apply for shares under the SCRL priority offer. Each shareholder will be provided with a specific eligibility code and this code will need to be included on the SCRL share application form to ensure that each Centaurus shareholder's priority is recognised by the SCRL share registry.

The Priority Offer will be limited to 2.5 million shares (\$500,000) and 1.25 million options. Centaurus shareholders who wish to participate are advised to send in their applications early as SCRL may close the offer early and applications received over the Priority Offer limit will fall into the General Offer pool.



## AUSTRALIAN SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

The following indicative dates have been provided by SCRL in relation to the IPO:

Lodgement of the Prospectus with ASIC	18 October 2010
Priority Offer Record Date	21 October 2010
Opening Date	26 October 2010
Priority Offer Closing Date	9 November 2010
General Offer Closing Date	19 November 2010
Dispatch of Holding Statements	26 November 2010
Expected Date for Listing on ASX	30 November 2010

Centaurus shareholders have no obligation to participate in the SCRL offer. Centaurus is not providing any advice in respect to the SCRL offer and, as such, each Centaurus shareholder considering participation in the SCRL offer should, in addition to reading the full SCRL Prospectus in its entirety, consult with their accountant or professional adviser before taking any action.

The SCRL Prospectus can be found on the SCRL website ([southerncrown.com.au](http://southerncrown.com.au)). Applications may only be made on the form contained in the SCRL Prospectus.

Centaurus' Managing Director, Mr Darren Gordon, said: *"The assets of Southern Crown, acquired from Centaurus, are very good gold/copper projects warranting a dedicated exploration effort that is no longer able to be provided by Centaurus due to its focus on near term production of iron ore in Brazil. The future growth of Southern Crown's asset base and their wider business plan will benefit greatly from the exploration and project generation experience of the Board and Management team."*

**-ENDS-**

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