



CENTAURUS
RESOURCES LIMITED

ACN 120 281 969

17 December 2009

Centaurus – Glengarry Update

Mark Papendieck
Managing Director



- Glengarry Resources Limited (**Glengarry**) has announced its intention to make a takeover offer for 100% of the outstanding shares and options in Centaurus
- Glengarry will offer 8 Glengarry shares for each Centaurus share held (**Share Offer**), and a separate, equivalent offer for Centaurus options (**Option Offer**) based on the same ratio (together referred to as the **Offers**)
- The Share Offer presents a 35% premium to Centaurus Shareholders, based on trading over the 1 month prior to the announcement
- Centaurus Shareholders will own ~53% of the Merged company
- The Offers opened 9 December 2009 and will close 15 January 2010 (unless extended)
- The Offers are unanimously recommended by the Directors, in the absence of a superior proposal as it will facilitate the development of Centaurus' emerging Brazilian Iron Ore projects
- Centaurus Shareholders representing 38.26%% of the Company's shares, have signed pre bid acceptance agreements

Why The Glengarry Transaction?

- Centaurus has conducted two capital raisings over the last 12 months
 - ~\$2.5m @ \$0.65
 - ~\$1.5m @ \$0.30
- Continued investigations suggest that opportunities for larger raisings at this stage of our projects development remain limited
- Continued small raisings create sustained downwards share price pressure and significant distractions for the board and management.
- Dilution from this deal equivalent to notionally raising the same amount at ~\$0.26-\$0.28¹
 - **Added advantages of GGYs board and management expertise and valuable projects.**
- Upon conclusion of transaction, CUR will be in an excellent position to add significant value to projects and move towards production

¹ Including an assignment of value for the GGY projects

Summary of Transaction Highlights

1 Attractive Premium	<p>The Share Offer represents an attractive premium of:</p> <ul style="list-style-type: none">• 35.0 % to the 1 month volume-weighted average price of 32.5 cents and 5.5 cents of Centaurus and Glengarry shares respectively; and• 22.4% premium based on the closing price of Centaurus and Glengarry shares as at 6 November 2009, the last trading date prior to announcement
2 Creation of a well-funded international resource company	<ul style="list-style-type: none">• The Merger will result in the creation of a well-funded international resource company with a pro forma cash balance of approximately \$9m in cash reserves based on the balance sheet of the two companies at 31 October 2009• These funds will be used to progress Centaurus' project pipeline
3 Greater potential to become a substantial iron ore developer/producer	<ul style="list-style-type: none">• Merged company has the potential to become a substantial iron ore developer/producer, with production commencing in 2010 and a production target of 3-4Mtpa of +65% Fe product by mid-2013, to be sold into Brazil's domestic steel industry
4 Strong Board & Management team	<ul style="list-style-type: none">• Merged company to be headed up by an accomplished and highly experienced team with extensive global iron ore experience

4

Strong Board & Management Team

The Merged company will be headed up by an accomplished and highly experienced team with extensive global iron ore experience including several former Gindalbie Metals senior executives.

The **proposed Board members** of the Merged company are as follows:



Didier Murcia

Non Executive Chairman

- 20 yrs corporate and resource industry experience. Specialises in strategic, corporate and commercial advice.
- Extensive iron ore experience as Director of Gindalbie Metals



Darren Gordon

Managing Director

- +15 years resource industry experience with particular emphasis on resource funding and structuring.
- 9yrs experience as CFO of Gindalbie Metals, which is developing Karara Project



Peter Freund

Operations Director

- 40yrs engineering experience with BHP, MIM, Thiess and Gindalbie.
- Has extensive experience in South American operations as well as beneficiated Iron ore experience



Geoff Clifford

Non Executive Director

- >30yrs experience in senior finance and administration roles.
- Extensive iron ore experience as director of Atlas Iron and former roles with Aztec Resources & Portman



Keith McKay

Non Executive Director

- Geologist with 40yrs technical and corporate experience
- Previously Chairman of Gindalbie Metals Ltd, MD of Gallery Gold Ltd and Battle Mountain (Aust) Inc.



Richard Hill

Non Executive Director

- 16 yrs resource industry experience as both a solicitor and a geologist.
- Founding director of Centaurus Resources
- Extensive contact base in Asian markets

- Centaurus Shareholders will receive eight (8) Glengarry shares for every one (1) Centaurus share they hold (Share Offer)
- Glengarry will make a separate offer to holders of existing Centaurus options, on terms consistent with the Share Offer (Option Offer). The Option Offer will be conditional upon the Share Offer being successful
- **The Directors of Centaurus unanimously recommend the Offers, in the absence of a superior proposal**
- Centaurus Shareholders representing approximately 19% of the Centaurus register have entered into Pre Bid Acceptance Agreements
- **The key benefits for Centaurus shareholders include:**
 - ★ **Access to cash to develop the Brazilian iron ore projects**
 - ★ **Increased share market liquidity and access to capital**
 - ★ **The merged company to be headed up by an accomplished and highly experienced team with extensive global experience in the financing, development and operation of iron ore assets**

Key Dates



Announcement of Offer	11 November 2009
Dispatch of Glengarry's Bidder's Statement	9 December 2009
Dispatch of Centaurus' Target's Statement	9 December 2009
Offers Open	9 December 2010
Offers Close	15 January 2010



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An Emerging Iron Ore Producer

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