



ACN 120 281 969

17 December 2009



Centaurus – Glengarry Update

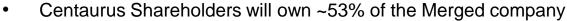
Mark Papendieck
Managing Director

Overview





- 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



- 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



Background



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

Transaction Highlights



Summary of Transaction Highlights

1 Attractive Premium	 The Share Offer represents an attractive premium of: 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
Creation of a well- funded international resource company	 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
Greater potential to become a substantial iron ore developer/producer	 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	 Merged company to be headed up by an accomplished and highly experienced team with extensive global iron ore experience

Transaction Highlights





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

Offer Details



- 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

Offer Details



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

For Enquiries, please contact: