



3 December 2009

Company Announcements Office
ASX Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

Takeover bid by Glengarry Resources Ltd ACN 009 468 099 for Centaurus Resources Limited

Bidder's Statement and Notice of people to whom information is to be sent

We attach, by way of service:

- Pursuant to item 5 of subsection 633(1) of the *Corporations Act 2001* (Cth) ("**Act**"), a copy of Glengarry Resources Ltd (**Glengarry**)'s bidder's statement in relation to Glengarry's off-market takeover bid for Centaurus Resources Limited ("**Takeover**"); and
- Pursuant to subsection 633(4) of the Act, a notice confirming the people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Act in relation to the Takeover.

Yours faithfully

GLENGARRY RESOURCES LTD

DARREN GORDON
Managing Director

Attached

1. Bidder's Statement
2. Notice confirming the people to whom information is to be sent



G L E N G A R R Y

THE CENTAURUS
DIRECTORS RECOMMEND
YOU

ACCEPT

THE OFFERS FOR YOUR
CENTAURUS SHARES AND
CENTAURUS BID OPTIONS

BIDDER'S STATEMENT

IN RELATION TO RECOMMENDED OFFERS

BY GLENGARRY RESOURCES LIMITED
ABN 40 009 468 099

to acquire ALL of your Centaurus Shares and ALL of your
Centaurus Bid Options in

CENTAURUS RESOURCES LIMITED
ABN 93 120 281 969

CONSIDERATION OFFERED IS:

8 Glengarry Shares for every 1 Centaurus Share you own; and
8 Glengarry Options for every 1 Centaurus Bid Option you own.

The Centaurus Resources Limited Directors unanimously recommend that Centaurus Shareholders and Centaurus Bid Optionholders accept the Offers, in the absence of a Superior Proposal, and have advised Glengarry that, in the absence of a Superior Proposal, they will accept the Offers in respect of their own holdings.

This is an important document which you should read carefully.
If you are in any doubt as to how to deal with it, please consult your financial or other professional adviser.

Legal Advisor

BLAKISTON & CRABB
LAWYERS

Corporate Advisor

 **Hartleys**

KEY DATES:

| | |
|--|-----------------|
| Date Bidder's Statement lodged with ASIC | 3 December 2009 |
| Date of Offers | 9 December 2009 |
| Scheduled Closing Date of Offers (unless extended) | 15 January 2010 |

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IMPORTANT INFORMATION

Bidder's Statement

This document is the Bidder's Statement from Glengarry Resources Limited (ABN 40 009 468 099) ("Glengarry" or the "Company") to Centaurus Resources Limited (ABN 93 120 281 969) ("Centaurus") in relation to an off-market bid for all Centaurus Shares and Centaurus Bid Options. This Bidder's Statement is dated 3 December 2009. A copy of this Bidder's Statement was lodged with ASIC on 3 December 2009. The ASIC takes no responsibility for the content of this Bidder's Statement.

Foreign Jurisdictions

The distribution of this document and the making of the Offers may be restricted by the laws of foreign jurisdictions. The Offers are not being made, directly or indirectly, in or into and will not be capable of acceptance from within, any jurisdiction if to do so would not be in compliance with the laws of that jurisdiction. The entitlements of Centaurus Shareholders who are located in jurisdictions outside Australia and its external territories, New Zealand or Singapore are set out in Section 1.8 of Annexure A and Section 10.16.

The Option Offer in Singapore is made in reliance on the exemption under section 272B of the Securities and Futures Act ("SFA"). It is not made in or accompanied by a prospectus that is registered by the Monetary Authority of Singapore. Any subsequent offer of Glengarry Options to other persons shall be subject to the condition that such subsequent offer shall comply with applicable exemptions referred to in Division 1 Sub-Division (4) of the SFA (other than the section 272B private placement exemption and the section 280 exemption).

Disclosure Regarding Forward-Looking Statements

This Bidder's Statement includes forward-looking statements that have been based on Glengarry's current expectations about future events. These forward-looking statements are, however, subject to risks, uncertainties and assumptions that could cause actual results to differ materially from the expectations described in such forward-looking statements. These factors include, among other things, those risks identified in Section 9.

Value of Glengarry Shares

The implied value of the Offers will vary with the market price of Glengarry Shares. Further information on the implied value of the Offers is contained in this document. Before accepting the Offers, Centaurus Shareholders and Centaurus Optionholders should obtain current quotes for Glengarry Shares and Centaurus Shares from their stockbroker or other financial adviser.

Investment Decision

This Bidder's Statement does not take into account the individual investment objectives, financial situation or particular needs of each Centaurus Shareholder or Centaurus Optionholder (or any other person). You may wish to seek independent financial and taxation advice before making a decision as to whether or not to accept the Offers.

Privacy

Glengarry has collected your information from the registers of Centaurus for the purposes of making the Offers and, if accepted, administering your shareholding or optionholding in Centaurus. Glengarry and the share registry may disclose your personal information to their related bodies corporate and external service providers and may be required to disclose such information to regulators, such as ASIC. If you would like details of information about you held by Glengarry, please contact Glengarry at the address set out in the Corporate Directory.

REASONS WHY YOU SHOULD **ACCEPT** THE OFFERS

- 1** The extensive experience of the Glengarry Board and management in developing iron ore assets will be applied to Centaurus' projects
- 2** You will receive an attractive premium for your Centaurus Shares and Centaurus Bid Options
- 3** You will benefit from a very significant increase in cash reserves to support ongoing evaluation and development of Centaurus' projects
- 4** Centaurus Directors unanimously support the Offers
- 5** Glengarry has the management and cash to advance the Brazilian iron ore projects
- 6** You will continue to share in the benefits from the development of Centaurus' iron ore assets
- X** If you do not accept the Offers then Centaurus will have to source alternative funding arrangements which may be inferior to the Offers
- X** If you do not accept the Offers then Centaurus Shares may fall to the price at which they were trading before the Offers were announced (or fall even lower)

1

THE **EXTENSIVE EXPERIENCE** OF THE GLENGARRY BOARD AND MANAGEMENT IN DEVELOPING IRON ORE ASSETS **WILL BE APPLIED** TO CENTAURUS' PROJECTS

The Glengarry Board and the senior management team have a significant depth of iron ore experience including financing, development and operation of major iron ore assets. Companies which members of the team have been involved with include:

- Gindalbie Metals Ltd – Now commencing construction of the Karara Iron Ore Project, with a start up capacity of 8Mtpa, after securing significant equity funding from China's second largest steel producer, Ansteel, and development financing from Chinese banks.
- Atlas Iron Limited – Currently producing direct shipping iron ore at a rate of 1 Mtpa, with plans to grow to 12Mtpa by the end of 2012.
- Portman Limited – Grew to an 8Mtpa producer of iron ore before being taken over by US iron ore group, Cliffs Natural Resources.
- Aztec Resources Ltd – Developer of the high-grade Koolan Island Iron Ore Project before being taken over by Mt Gibson Iron Ltd.

The Merged Entity will consist of an expanded Board and management team, which includes former senior members of the management team or Board of the above companies. This will substantially enhance the available expertise to progress the Brazilian iron ore projects as they enter a demanding stage of development.



Darren Gordon B. Bus, CA, FFin, ACIS, MAICD – Managing Director

Darren is a Chartered Accountant with over 15 years experience in the mining industry as a senior finance and resources executive. Darren is the former Chief Financial Officer and Company Secretary for Gindalbie Metals Ltd, working with the company for over nine years. Mr Gordon has developed strong experience with project finance and capital markets particularly in the resource sector.

Mr Gordon was part of the senior management team that oversaw the rise of Gindalbie's market capitalisation from \$20 million to over \$500 million.

Darren's time with Gindalbie included the signing of an A\$534 million equity funding agreement with the Chinese steel producer Ansteel and completion of a definitive feasibility study over the \$1.8 billion Karara Iron Ore Project.

It is proposed that Mr Gordon will remain Managing Director of the Merged Entity.



Keith McKay BSc (Hons), FAusIMM, MAICD – Chairman

Keith is a geologist with 40 years technical and corporate experience in the mining industry as a senior executive, director and chairman. Keith is the former Chairman of Gindalbie Metals Limited.

Keith was also the former Managing Director of Gallery Gold Limited and Battle Mountain (Aust.) Ltd.

Keith will step down from the position of Chairman for the Merged Entity but will remain a non-executive director.



Geoff Clifford B. Bus, FCPA, FCIS – Independent Non-Executive Director

Geoff is an accountant with over 30 years experience in senior accounting, finance, administration and company secretarial roles in the mining, retail and wholesale industries.

Geoff is currently the Chairman of Western Australian iron ore producer, Atlas Iron Ltd, a company that has seen its market capitalisation grow to over \$750 million since it listed 5 years ago.

He has also gained significant iron ore expertise through his previous roles as non-executive director of Aztec Resources Ltd before it was acquired by Mt Gibson Iron Ltd and General Manager Administration and Company Secretary of Portman Limited before it was taken over by US iron ore group Cliffs Natural Resources.

Geoff also holds non-executive director roles with Fox Resources Ltd and RMA Energy Ltd.



Didier Murcia B. Juris, LL.B – Independent Non-Executive Director

Didier is a lawyer with 25 years legal and corporate experience in the resources industry. He is currently a non-executive director of emerging iron ore producer, Gindalbie Metals Ltd, a position he has held for over 12 years and where he has been part of the growth of the company from a market capitalisation of \$20 million to currently over \$650 million.

Didier is also a non-executive director of gold explorer Gryphon Minerals Ltd, oil and gas producer Target Energy Ltd and LSE listed Aminex plc. Mr Murcia also holds the position of Honorary Australian Consul for the United Republic of Tanzania.

Didier is Chairman and founding director of Perth-based legal group Murcia Pestell Hillard, where he practises predominantly in commercial and resource law with a particular emphasis on the provision of strategic and commercial advice.

It is proposed that Mr Murcia will assume the role of Chairman of the Merged Entity.

2

YOU WILL RECEIVE AN **ATTRACTIVE PREMIUM** FOR YOUR CENTAURUS SHARES AND CENTAURUS BID OPTIONS

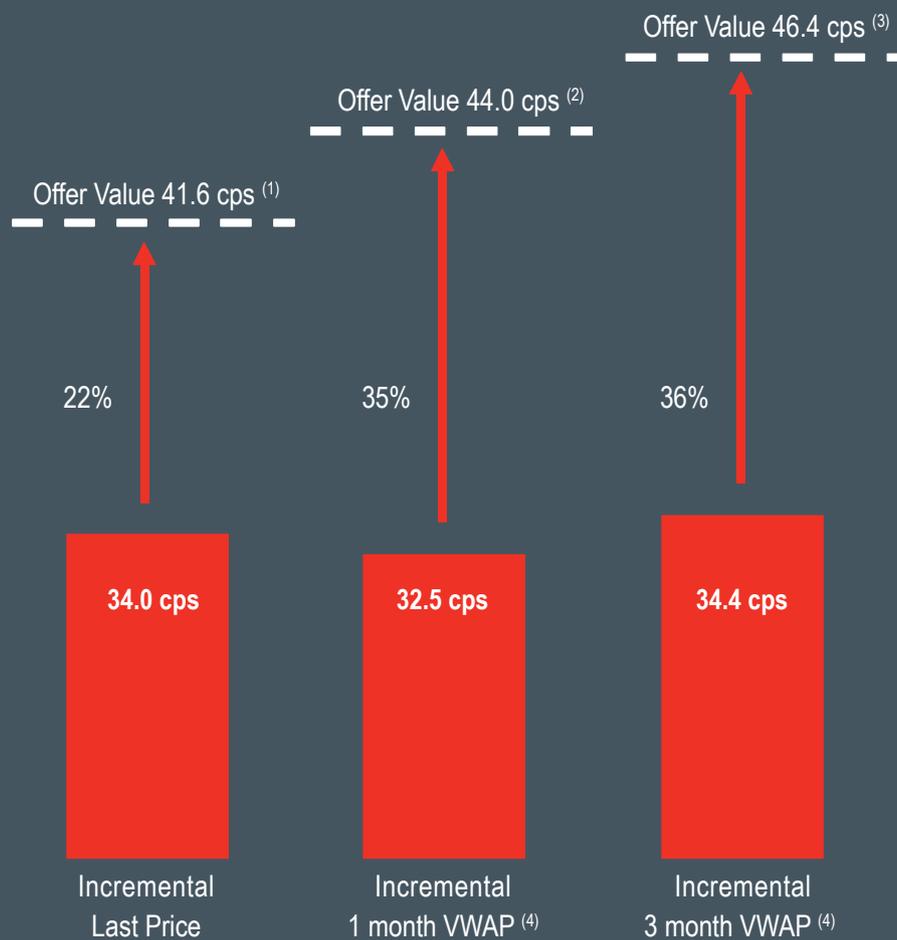
Glengarry believes that the Share Offer is a compelling proposition for Centaurus Shareholders as it enables them to realise an implied value of 41.6 cents for each Centaurus Share (based on Glengarry's closing price of 5.2 cents on the last trading day before the Announcement Date), representing:

- (a) a 22% premium based on the closing prices of Centaurus Shares and Glengarry Shares as at 6 November 2009 (being the last trading day of Centaurus Shares prior to the Announcement Date) of 34 cents and 5.2 cents respectively;
- (b) a 35% premium based on the 1 month Volume Weighted Average Price ('VWAP') of Centaurus Shares and Glengarry Shares of 32.5 cents and 5.5 cents respectively, up to and including 6 November 2009; and
- (c) a 36% premium based on the 3 month VWAP of Centaurus Shares and Glengarry Shares of 34.4 cents and 5.8 cents respectively, up to and including 6 November 2009.

Centaurus Optionholders will also benefit from the same bid premium as in the Share Offer through the issue of an equivalent number of Glengarry Options on terms similar to the Share Offer.

Centaurus Optionholders will receive eight (8) new Glengarry Options for every Centaurus Bid Option they hold, and the exercise price will be equal to one eighth of the current Centaurus Bid Option exercise price. Other terms and conditions, including the expiry date, will remain unchanged.

IMPLIED OFFER VALUE



Source: IRESS Market Technology Ltd

1. Offer value is based on closing price of Centaurus Shares and Glengarry Shares as at 6 November 2009 of 34 cents and 5.2 cents respectively.
2. Offer value is based on the 1 month VWAP of Centaurus Shares and Glengarry Shares of 32.5 cents and 5.5 cents respectively.
3. Offer value is based on the 3 month VWAP of Centaurus Shares and Glengarry Shares of 34.4 cents and 5.8 cents respectively.
4. VWAP calculations were based on trading information up to and including 6 November 2009, the last trading day before the Announcement Date. Implied offer value calculated at the Offer consideration of 8 Glengarry Shares for 1 Centaurus Share.

3

YOU WILL **BENEFIT** FROM A VERY SIGNIFICANT **INCREASE IN CASH RESERVES** TO SUPPORT ONGOING EVALUATION AND DEVELOPMENT OF CENTAURUS' PROJECTS

The Offers will allow Centaurus Shareholders to benefit from an increase in cash reserves to approximately \$9.1 million on completion of the merger.

This strong cash position will be utilised to fund the development of Centaurus' Brazilian iron ore projects that have near-term production potential and the ability to generate cash flow in a reasonable timeframe enabling funding of further growth opportunities.

UNAUDITED PRO-FORMA MERGED ENTITY CASH BALANCE MAKEUP



4

CENTAURUS DIRECTORS UNANIMOUSLY SUPPORT THE OFFERS

All Centaurus Directors unanimously recommend that, in the absence of a Superior Proposal, Centaurus Shareholders and Centaurus Optionholders accept the Offers.

All Centaurus Directors will accept the Offers in respect of any Centaurus Shares and Centaurus Bid Options that they own or control, subject in each case to there being no Superior Proposal.

In making the recommendation, Centaurus' Managing Director stated:

“Glengarry has made an attractive offer to Centaurus shareholders which not only provides an immediate uplift in the value of Centaurus shares but also provides the opportunity for our shareholders to be part of a well-funded company with the capability to accelerate the development of our Brazilian iron ore assets.”

“The expanded Board and Management team – which includes former senior members of the management team from the West Australian iron ore company Gindalbie Metals – possesses extensive international iron ore expertise. I am confident that this team has the capability to add significant shareholder value to the new merged company in short order”.

- Mark Papendieck, Managing Director, Centaurus

Glengarry has also entered into Pre-bid Acceptance Agreements with Centaurus Shareholders holding 19% of Centaurus. The parties that have entered into these agreements consist of founding Centaurus Shareholders, former Centaurus directors and other major Centaurus Shareholders.

5

GLENGARRY HAS THE MANAGEMENT AND **CASH TO ADVANCE** THE BRAZILIAN IRON ORE PROJECTS

The combination of the experienced management team of Glengarry, a strong cash position and the Centaurus iron ore assets will create a company well placed to become a significant iron ore producer.

Key members of the Glengarry team have proven experience in taking an iron ore focussed company from the exploration to development phase, through their involvement in a number of successful iron ore ventures.

This proven experience, coupled with the enhanced balance sheet of Glengarry and the Brazilian iron ore projects, has significant potential to deliver increased shareholder value as the projects progress.

The Centaurus projects are at a critical phase of development, needing substantial development capital and management expertise to successfully enter production. Glengarry believes that a successful merger with Centaurus will substantially enhance the prospects of the projects being successfully brought into production.

6

YOU WILL CONTINUE TO **SHARE** **IN THE BENEFITS** FROM THE DEVELOPMENT OF CENTAURUS' IRON ORE ASSETS

Centaurus Shareholders and Centaurus Optionholders who accept the Offers will continue to have an ongoing interest in the development of Centaurus' projects.

The Itambé Project and Passabem Project are both iron ore projects which have near term production potential. A positive scoping study has been completed on Itambé and a similar study is planned to commence shortly at Passabem. The Itambé Project and Passabem Project have the potential to provide high grade (+65% Fe) product that is proposed to be sold into Brazil's extensive domestic steel industry.

This potential can only be realised with the necessary balance sheet to develop the projects and with a strong and experienced management team.

Glengarry intends to utilise its iron ore expertise and cash reserves to develop Centaurus' projects with the goal of becoming an iron ore producer by the end of 2010 and then grow the Company by pursuing new opportunities in the Brazilian iron ore market.

If the Offers are successful, and Glengarry acquires an interest in more than 90% of Centaurus Shares, thus enabling it to compulsorily acquire the balance, the Merged Entity will have extensive and highly prospective iron ore exploration projects in Brazil and a portfolio of gold and copper exploration properties both in Brazil and Australia.



IF YOU DO NOT ACCEPT THE OFFERS THEN CENTAURUS WILL HAVE TO SOURCE ALTERNATIVE FUNDING ARRANGEMENTS WHICH MAY BE INFERIOR TO THE OFFERS

Centaurus' Brazilian iron ore projects will require substantial development capital to be brought into production – estimated by Centaurus at over US\$11 million to reach annual production of 500ktpa of iron ore at Itambé alone.

If the Offers do not proceed, then Centaurus will have to source alternative funding arrangements which may be inferior to the current Offers.

Alternative sources of funding may include having to introduce a larger development partner, or issue large amounts of equity at a discount to the market price. The market price may have also potentially fallen upon the lapse of the Offers.



IF YOU DO NOT ACCEPT THE OFFERS THEN CENTAURUS SHARES MAY FALL TO THE PRICE AT WHICH THEY WERE TRADING BEFORE THE OFFERS WERE ANNOUNCED (OR FALL EVEN LOWER)

Prior to the announcement of the Offers, Centaurus Shares were trading at 34.0 cents.

The Share Offer represents a 35% premium for Centaurus Shareholders based on the 1 month VWAP of 32.5 cents and 5.5 cents of Centaurus Shares and Glengarry Shares respectively.

If the Offers are not successful, there is a risk that Centaurus Shares may fall to the price at which they were trading before the offers were announced (or possibly fall lower).

CHAIRMAN'S LETTER

3 December 2009

Dear Centaurus Security Holder

Recommended Off-Market Takeover Bid for Centaurus Resources Limited

On behalf of the directors of Glengarry Resources Limited ("**Glengarry**"), we are pleased to offer you the opportunity to become a shareholder or optionholder in the merged Glengarry and Centaurus entity.

On 11 November 2009 Glengarry announced an off-market bid ("**the Offers**") to acquire all of your Centaurus Shares and Centaurus Bid Options. Under the Offers you will receive:

1. Eight Glengarry Shares (8) for every one (1) of your Centaurus Shares ("**Share Offer**").
2. Eight Glengarry Options (8) for every one (1) of your Centaurus Bid Options ("**Option Offer**").

The directors of Centaurus have unanimously recommended that, in the absence of a Superior Proposal, all shareholders and optionholders accept the Offers.

In addition, Glengarry has entered into pre-bid agreements with a number of Centaurus' larger shareholders and now holds a relevant interest in 19% of Centaurus.

The directors of Glengarry believe that the Share Offer is a compelling proposition for Centaurus Shareholders as it enables you to realise an immediate premium based on an implied value of 41.6 cents for each Centaurus Share (based on Glengarry's closing price of 5.2 cents on the last trading day before the Announcement Date) representing:

- a **22% premium** based on the closing prices of Centaurus Shares and Glengarry Shares as at 6 November 2009, being 34 cents and 5.2 cents respectively;
- a **35% premium** based on the 1 month volume weighted average price ("**VWAP**") of Centaurus Shares and Glengarry Shares of 32.5 cents and 5.5 cents respectively; and
- a **36% premium** based on the 3 month VWAP of Centaurus Shares and Glengarry Shares of 34.4 cents and 5.8 cents respectively.

Your acceptance of the Offers will, subject to the takeover of Centaurus being effected, entitle you to be a shareholder in a well-funded, international resource company with the ability to accelerate the development of Centaurus' current portfolio of emerging iron ore production assets in Brazil.

The Offers are subject to a number of conditions which are set out in Annexures A and B of the Bidder's Statement, including (with respect to the Share Offers) Glengarry receiving acceptances with respect to at least 90% of Centaurus Shares and Centaurus not issuing any Centaurus Shares to any person.

I ask that you read this Bidder's Statement carefully and give full consideration to the Offers to acquire your Centaurus Shares and Centaurus Bid Options.

I encourage you to accept the Offers as soon as possible. To accept the Offers, you should follow the instructions on the enclosed Acceptance Forms.

The Offers are scheduled to close at 5.00pm WST time 15 January 2010.

If you have any questions about the Offers, please contact Advanced Share Registry on (08) 9389 8033 (overseas callers +618 9389 8033), our Company Secretary Geoff James on (08) 9322 4929 (overseas callers +61 8 9322 4929) or your professional financial advisor.

I look forward to you joining me as a shareholder and/or optionholder in what I consider will be an exciting, well funded international resource company with an iron ore resource inventory and significant potential for growth.

Yours sincerely



K G McKay
Chairman



HOW TO ACCEPT THE OFFER

CHESSE Holdings

Instruct your stockbroker or Controlling Participant to initiate acceptance of the Share Offer in accordance with the ASTC Settlement Rules so as to be effective before the end of the Share Offer Period,

OR

complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the form and return it in the reply paid envelope so that it is received before the end of the Share Offer Period.

Issuer Sponsored Holdings

Complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the form and return it in the reply paid envelope so that it is received before the end of the Share Offer Period.

Foreign Centaurus Shareholder

If you are a Foreign Centaurus Shareholder, (as defined in Section 11 of this Bidder's Statement) please refer to Section 10.16 of this Bidder's Statement.

HOW TO ACCEPT THE OPTION OFFER

Complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the form and return it in the reply paid envelope so that it is received before the end of the Option Offer Period.

OFFER AND ACCEPTANCE ENQUIRIES

Advanced Share Registry Limited
In Australia: (08) 9389 8033
Outside Australia: +61 8 9389 8033

OR

Mr Geoff James
Company Secretary
Glengarry Resources Ltd
In Australia: (08) 9322 4929
Outside Australia: +618 9322 4929

2. SUMMARY OF THE OFFERS

The Bidder:

Glengarry is the company making the Offers to Centaurus Shareholders and to Centaurus Optionholders. Refer to Section 4 for further details about Glengarry.

The Share Offer:

Glengarry offers to acquire **ALL** of your Centaurus Shares.

You may only accept the Share Offer in respect of 100% (and not a lesser proportion) of the Centaurus Shares you hold.

The Option Offer:

Glengarry offers to acquire **ALL** of your Centaurus Bid Options.

You may only accept the Option Offer in respect of 100% (and not a lesser proportion) of the Centaurus Bid Options you hold.

Share Offer Consideration:

Eight (8) Glengarry Shares for every one (1) Centaurus Share held¹.

Option Offer Consideration:

Eight (8) comparable Glengarry Options for every one (1) Centaurus Bid Option held.

There are a number of different classes of Centaurus options on issue, each with different terms including the exercise price and expiry date. Under the Option Offer, Glengarry is offering a comparable class of Glengarry Options reflecting the terms of the Centaurus Bid Options being replaced. As such, Glengarry is offering a number of different classes of Glengarry Options. Refer to Annexures E and F for details of each class of Centaurus Bid Option and the comparable class of Glengarry Option (and their terms) being offered in consideration for those Centaurus Bid Options.

The Option Offer does not include an offer to acquire any Centaurus Other Options which Centaurus has granted.

Offers Open:

9 December 2009

Offers Close:

Unless withdrawn or extended in accordance with the Corporations Act, the Offers are open until 5pm WST on 15 January 2010.

Conditions:

Glengarry may choose to waive any of the defeating conditions in accordance with the Offers set out in Annexures A and B.

The Share Offer is subject to the defeating conditions set out in Section 1.9 of Annexure A.

¹ Unless you are a Foreign Centaurus Shareholder who accepts the Share Offer, in which case you will receive consideration in the form of cash, being the net proceeds from the on-market sale of Glengarry Shares you were entitled to. Refer to Section 10.16 of this Bidder's Statement.

The Option Bid Offer is subject to the defeating conditions set out in Section 1.7 of Annexure B.

Glengarry requires the consent of Centaurus to waive the 90% minimum acceptance condition to the Offers.

Further Information:

The information in this Section 2 is a summary of the Offers only.

You should read the entire Bidder's Statement and the separate target's statement which will be sent to you directly by Centaurus in relation to the Offers before deciding whether or not to accept the Offers.

The full terms of the Share Offer are set out in Annexure A to this Bidder's Statement.

The full terms of the Option Offer are set out in Annexure B to this Bidder's Statement.

Please call Advanced Share Registry Limited on 08 9389 8033 (callers within Australia) and +618 9389 8033 (callers outside Australia) or Glengarry's Company Secretary, Mr Geoff James on 08 9322 4929 (callers within Australia) and +618 9322 4929 (callers outside Australia) if you have any questions or require any assistance with your acceptance.

3. FREQUENTLY ASKED QUESTIONS

| | |
|---|---|
| How do I Accept the Share Offer? | How you accept will depend on whether your Centaurus Shares are held in an Issuer Sponsored Holding or a CHESS Holding. The Acceptance Form enclosed has been personalised to reflect this for you. |
| How do I Accept the Option Offer? | Please complete and sign the enclosed Acceptance Form in accordance with the instructions provided in the form and return it in the reply paid envelope. |
| When do I get my Glengarry Shares (or, if applicable, net sale proceeds) or Glengarry Options? | <p>If you accept an Offer, you will receive the consideration under the Offer within 1 month of the later of the date you accept, and the date the Offer becomes unconditional. In any event, assuming the conditions of the Offer you accept are satisfied or waived, you will be issued the consideration within 21 days of the end of the relevant Offer Period.</p> <p>If you are a Foreign Centaurus Shareholder, you will receive your net sale proceeds following the sale of the Glengarry Shares you would have been entitled to by the Sale Nominee. See Section 10.16 for details.</p> |
| Can the Offer Period be extended? | Yes, the Offer Period can be extended at Glengarry's election, up to a maximum Offer Period of 12 months. Centaurus Shareholders and Centaurus Optionholders will be sent written notice for any extension, and the extension will be announced to the ASX. |
| What if the conditions are not satisfied? | If an Offer closes with conditions remaining unsatisfied, that Offer will lapse, and your acceptance will be void. In other words, you will continue to hold your Centaurus Shares or Centaurus Bid Options (unless you otherwise sell them). Glengarry will inform you whether the conditions have been satisfied or waived during the Offer Period in accordance with its obligations under the Corporations Act. |
| Can I withdraw my acceptance? | <p>Under the terms of the Offers, once you have accepted the Offers you cannot withdraw your acceptance except where a withdrawal right arises under the Corporations Act.</p> <p>A withdrawal right will arise under the Corporations Act if an Offer remains subject to one or more defeating conditions (set out in Section 1.9 of Annexure A or Section 1.7 of Annexure B) and, after you have accepted the Offer, Glengarry varies the Offer in a way that postpones, for more than 1 month, the time by which Glengarry needs to meet its obligations under the Offer.</p> |
| Can I sell my Centaurus Shares on the market? | <p>Yes, but you may incur brokerage costs if you do.</p> <p>If you have already accepted the Share Offer in respect of your Centaurus Shares, you will be unable to settle any subsequent sale of your Centaurus Shares, subject to you being entitled to withdraw your acceptance – see "Can I withdraw my acceptance?" above.</p> |
| Will I need to pay any brokerage or stamp duty if I accept the Offers? | <p>If your Centaurus Shares are registered in an Issuer Sponsored Holding in your name and you deliver them directly to Glengarry, you will not incur any brokerage fees or be obliged to pay stamp duty in connection with your acceptance of the Share Offer.</p> <p>If your Centaurus Shares are registered in a CHESS Holding, or if you are the beneficial owner whose Centaurus Shares are registered in the name of a broker, bank, custodian, or other nominee, you will not be obliged to pay stamp duty by accepting the Share Offer but you should ask your Controlling Participant (usually your broker) or that nominee whether it will charge any transactional fees or service charges in connection with acceptance of the Share Offer.</p> |

FREQUENTLY ASKED QUESTIONS (continued)

| | |
|--|--|
| | <p>If you are a Foreign Centaurus Shareholder who accepts the Share Offer, the Glengarry Shares issued as consideration will be sold by an ASIC approved nominee (the Sale Nominee), who will return the cash proceeds from the sale less the expenses of the sale to the Foreign Centaurus Shareholder.</p> <p>You will not pay any brokerage or stamp duty if you accept the Option Offer.</p> <p>If the Share Offer is declared unconditional, Glengarry will pay a broker handling fee of 0.75% to Participating Organisations of the ASX ("Brokers") in respect of valid acceptances over Issuer Sponsored Holdings which bear the Broker's official stamp or the acceptance is initiated by the Broker via CHESS. There will be a \$25 minimum fee per accepting Centaurus Shareholder and the maximum fee per accepting security holder will be capped at \$250. Glengarry will release details of the claims process for the broker handling fee separately.</p> |
| What if I am a Foreign Centaurus Shareholder? | <p>If your address on the Centaurus register at 5pm (WST) on 3 December 2009 is in a jurisdiction other than Australia and its external territories, New Zealand and Singapore, you will be a Foreign Centaurus Shareholder unless the Company decides otherwise in accordance with this Bidder's Statement.</p> <p>If you are a Foreign Centaurus Shareholder, you will not be entitled to receive the Glengarry Shares on acceptance of the Share Offer. The Glengarry Shares that Foreign Centaurus Shareholders would otherwise be entitled to receive if they accepted the Share Offer will be issued to and sold by the Sale Nominees and Foreign Centaurus Shareholders who have accepted the Share Offer will receive the net cash proceeds from that sale. See Section 10.16 of this Bidder's Statement for further details.</p> |
| What are the tax implications of accepting the Share Offer or Option Offer? | <p>You should consult your financial, tax or other professional advisor on the tax implications of acceptance, in light of your own particular circumstances. However, Section 8 contains a general summary of the major likely Australian tax consequences for Centaurus Shareholders who accept the Share Offer and Centaurus Optionholders who accept the Option Offer.</p> |
| Is the Option Offer for all options which Centaurus has granted? | <p>If you hold Centaurus Other Options then the Option Offer does not include an offer from Glengarry to acquire your holding of Centaurus Other Options.</p> |
| What will happen with the Centaurus Other Options? | <p>If you hold Centaurus Other Options Glengarry will approach you with a view to acquiring your Centaurus Other Options for a consideration that will be negotiated between you and Glengarry. Alternatively, if Glengarry acquires at least 90% of the value of all of the Centaurus securities on issue and it satisfies the other requirements under the Corporations Act, then Glengarry may, if it chooses to, compulsorily acquire the securities in Centaurus that it does not then own, including your Centaurus Other Options.</p> |

4. PROFILE OF GLENGARRY

4.1 Overview of Glengarry

Glengarry is an Australian based mineral exploration company.

Glengarry is listed on the ASX (ASX Code: GGY) and has a market capitalisation in excess of \$14 million (as at the date of the Bidder's Statement).

Glengarry's high level business strategy is focussed on using the Company's strong cash position of approximately \$8.9 million (as at 31 October 2009) to secure a project or projects that are capable of being brought into production within 24 months to deliver a strong cash flow to the Company. The preference is for projects that already have an established resource, are high grade in nature with low operating and capital costs.

The acquisition of Centaurus and its suite of Brazilian iron ore assets would meet this high level business strategy.

Glengarry has existing Australian exploration assets including the Citadel Copper/Gold Project in Western Australia's Pilbara region, located in the same geological province as the world class Telfer Gold Mine and several copper/gold projects located in North Queensland. Glengarry is currently seeking to extract value from these projects.

4.2 Overview of Glengarry's Activities

This Section contains a summary of Glengarry's activities. Further information on Glengarry can be obtained from Glengarry's website (<http://www.glengarry.com.au/>).

Corporate Strategy

In October 2009 Centaurus was identified as an opportunity that met the Company's newly established business strategy and selection criteria. The Glengarry Board commenced discussions with Centaurus about a potential corporate transaction following a review of publicly available information.

Exploration Projects

Citadel Copper/Gold Project (Glengarry 100%)

The Citadel Project is an exploration project located approximately 100 kilometres north of Newcrest's multi-million ounce Telfer Gold Mine in the north west region of Western Australia (Figure 1). The Citadel Project consists of four exploration licences totalling 1,709 square kilometres.

Previous exploration by other companies within the Citadel Project area discovered high grade copper/gold mineralisation at the Magnum prospect. Mineralisation, which includes intersections up to 8 metres @ 4.4% copper and 15 metres @ 14.1 g/t gold, remains open along strike and at depth.

During 2008 Glengarry completed Aboriginal heritage surveys over planned drill sites defined by a review of previous exploration work.

In early January 2009 the exploration licence applications for the southern portion of the Citadel Project were granted. All exploration licences have now been granted for the entire project area. As a result of the Company's new corporate strategy, exploration activities on the Citadel Project have been put on hold. A detailed information memorandum on the Citadel Project has recently been completed and is being used to promote the Citadel Project to parties interested in acquiring a joint venture interest.

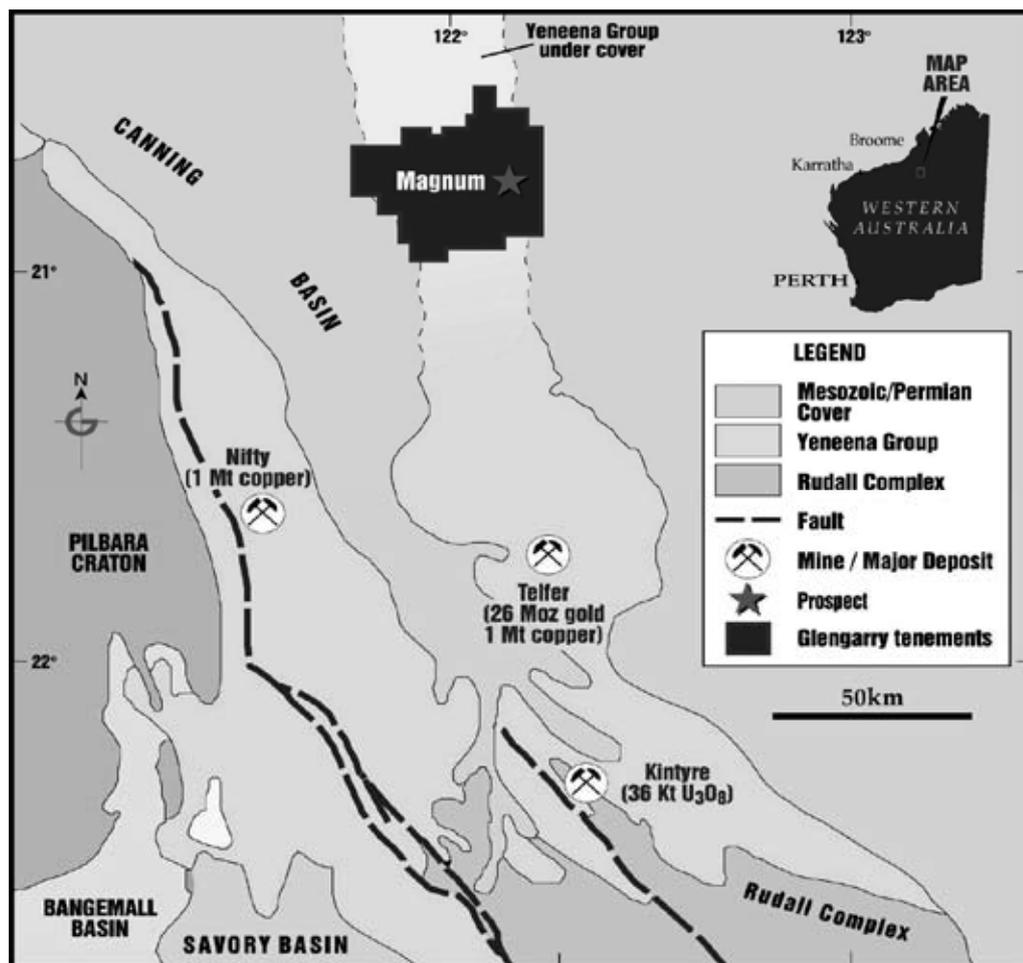


Figure 1 – Citadel Project Location Map

Percyvale Copper/Gold Project (Glengarry 100%)

The Percyvale Project is an exploration project located in North Queensland approximately 300 kilometres west-northwest of Townsville (Figure 2) in a geological region known to host economic deposits of a number of different metals including gold, copper, lead-zinc-silver, uranium and molybdenum. The world class Kidston gold deposit which produced 4.5 million ounces of gold is located approximately 30 kilometres east of the project area (Figure 2). The project consists of one approved exploration licence and three exploration licence applications totalling 1,121 square kilometres.

During 2009 Glengarry completed a work program to test targets over three prospect areas.

Glengarry does not expect to spend any material funds on the Percyvale Project in the near future and has prepared a detailed information memorandum on the project which is being used to promote the project to parties interested in acquiring a joint venture interest.

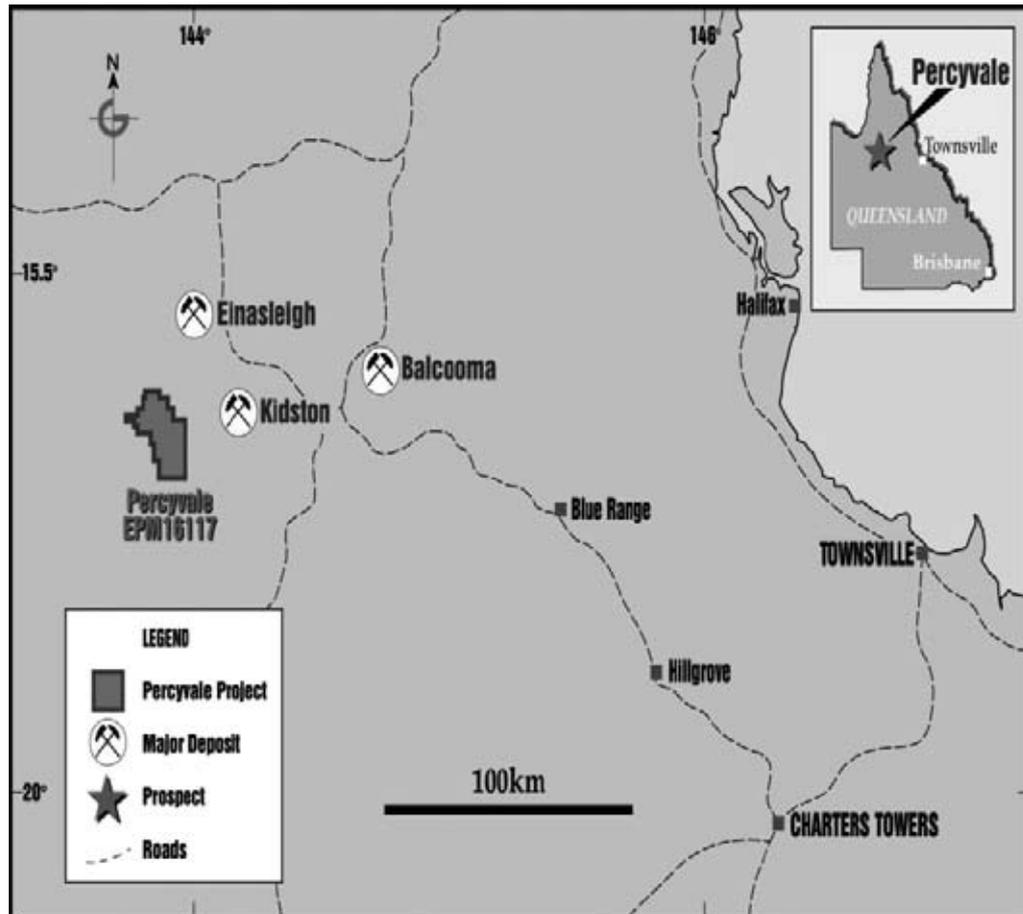


Figure 2 – Percyvale Project Location Map

Joint Venture Projects

Glengarry holds an interest in two joint venture projects. These are the Mt Guide Project and the Snake Creek Project, both located in the Mt Isa region of Queensland.

Mt Guide Project

(Summit Resources NL 90%, Glengarry 10% free carried interest to Bankable Feasibility Study; MM Mining Plc earning 80% of Summit's interest)

The Mt Guide Project is an exploration project located 35 kilometres south of Mt Isa in Queensland.

During 2009, MM Mining Plc, which is earning an 80% interest in Summit Resources NL's existing interest, carried out detailed structural mapping and combined with geophysical surveys, identified two prospects for follow up drilling. This drilling was completed during 2009 with no significant results. Exploration activities are ongoing.

Snake Creek Project

(Glengarry 100%, Ivanhoe Australia Ltd earning 85%)

The Snake Creek Project is an exploration project located 25 kilometres south of Cloncurry in western Queensland. It is prospective for copper-gold and uranium mineralisation.

During September 2008, Glengarry executed a Farm-out Agreement with ASX-listed Ivanhoe Australia Ltd, a company which has defined significant gold and copper resources in the region. Under the terms of the Farm-out Agreement, Ivanhoe Australia Ltd has the right to earn up to 85% equity in the Snake Creek Project by spending \$1.5 million on exploration within 3 years of signing the agreement. Exploration activities are ongoing.

4.3 Financial Performance

This section contains a summary of Glengarry's financial performance extracted from the audited Financial Report for the year ended 30 June 2009. Further information on Glengarry is contained in the Company's 2009 Annual Report which is available from the website (<http://www.glengarry.com.au/>).

| Income Statement | Consolidated (Audited) For the year ended 30 June 2009 \$ | Consolidated (Audited) For the year ended 30 June 2008 \$ |
|--|--|--|
| Other income | 3,188,728 | 12,317 |
| Employee benefits expense | (1,183,564) | (705,920) |
| Depreciation expense | (23,551) | (19,664) |
| Exploration and evaluation expense | (382,079) | (88,746) |
| Impairment loss | (2,432,410) | (583,917) |
| Administration expense | (476,405) | (497,353) |
| Results from operating activities | (1,309,281) | (1,883,283) |
| Finance income | 701,864 | 349,015 |
| Finance expense | (658,452) | (1,971,362) |
| Net finance income/(expense) | 43,412 | (1,622,347) |
| Loss before income tax | (1,265,869) | (3,505,630) |
| Income tax expense | - | - |
| Loss attributable to members of Glengarry Resources Limited | (1,265,869) | (3,505,630) |

| Balance Sheet | Consolidated (Audited) As at 30 June 2009 \$ | Consolidated (Audited) As at 30 June 2008 \$ |
|-------------------------------------|---|---|
| Current assets | | |
| Cash and cash equivalents | 9,673,582 | 5,133,912 |
| Other receivables and prepayments | 86,229 | 103,614 |
| Assets classified as held for sale | - | 3,296,169 |
| Total current assets | 9,759,811 | 8,533,695 |
| Non-current assets | | |
| Available-for-sale financial assets | - | 1,069,235 |
| Plant and equipment | 38,348 | 65,207 |
| Exploration and evaluation | - | 1,323,211 |
| Total non-current assets | 38,348 | 2,457,653 |
| Total assets | 9,798,159 | 10,991,348 |
| Current liabilities | | |
| Trade and other payables | 257,697 | 193,414 |
| Employee benefits | 14,798 | 61,186 |
| Total current liabilities | 272,495 | 254,600 |
| Total liabilities | 272,495 | 254,600 |
| Net assets | 9,525,664 | 10,736,748 |
| Equity | | |
| Issued capital | 15,544,255 | 15,544,255 |
| Reserves | 351,380 | 296,595 |
| Accumulated losses | (6,369,971) | (5,104,102) |
| Total equity | 9,525,664 | 10,736,748 |

4.4 **Directors of Glengarry**

Details of the responsibilities and experience of the Directors (as at the date of this Bidder's Statement) are set out in Glengarry's 2009 Annual Financial Report, a copy of which is available on request or from the ASX website.

A brief summary of the Glengarry Board is set out in Section 1 of this Bidder's Statement.

4.5 **Information about Glengarry Securities**

(a) **Glengarry Shares**

As at the date of this Bidder's Statement, Glengarry had 286,003,678 Glengarry Shares on issue. Further information about Glengarry Shares is provided in Section 10.5 of this Bidder's Statement.

(b) **Glengarry Options**

As at the date of this Bidder's Statement, Glengarry had 11,850,000 unlisted Glengarry Options on issue. The details of the Glengarry Options are as follows:

| Expiry Date | Exercise Price | Number |
|------------------|----------------|-------------------|
| 10 April 2011 | 11.0 cents | 100,000 |
| 19 March 2012 | 11.5 cents | 250,000 |
| 19 March 2012 | 13.5 cents | 500,000 |
| 20 November 2012 | 20.5 cents | 500,000 |
| 20 November 2012 | 24.5 cents | 500,000 |
| 20 November 2012 | 28.5 cents | 500,000 |
| 29 August 2013 | 12.5 cents | 50,000 |
| 29 August 2013 | 15.0 cents | 50,000 |
| 29 August 2013 | 17.5 cents | 100,000 |
| 15 December 2013 | 10.0 cents | 250,000 |
| 15 December 2013 | 12.0 cents | 250,000 |
| 15 December 2013 | 14.0 cents | 500,000 |
| 17 July 2014 | 5.0 cents | 1,000,000 |
| 17 July 2014 | 7.5 cents | 2,825,000 |
| 17 July 2014 | 10.0 cents | 3,325,000 |
| 17 July 2014 | 12.0 cents | 1,150,000 |
| TOTAL | | 11,850,000 |

4.6 **Glengarry Shareholders**

As at 25 November 2009, there were 2,735 Glengarry Shareholders and the top ten Glengarry shareholders were:

| Glengarry Shareholder | Glengarry Shares | |
|----------------------------------|-------------------|--------------|
| | Number | Percentage |
| Mr Darren Gordon | 44,000,000 | 15.38 |
| ANZ Nominees Ltd | 8,301,639 | 2.90 |
| MPH Resources Pty Ltd | 7,000,000 | 2.45 |
| Mr Bradley Bolin | 4,752,000 | 1.66 |
| Nefco Nominees Pty Ltd | 4,472,975 | 1.56 |
| Parkes Holdings Pty Ltd | 4,119,000 | 1.44 |
| HSBS Custody Nominees (Aust) Ltd | 4,017,121 | 1.40 |
| Ombord Pty Ltd | 3,800,000 | 1.33 |
| Citicorp Nominees Pty Ltd | 3,789,955 | 1.33 |
| Mr Malcolm Thom | 2,619,000 | 0.92 |
| TOTAL | 86,871,690 | 30.37 |

4.7 **Trading in Glengarry Shares**

Glengarry Shares are quoted on the ASX.

Set out below is a table showing relevant trading prices of Glengarry Shares on the ASX:

| Comparative trading period | Price of Glengarry Shares |
|--|---------------------------|
| Highest trading price in the 4 months prior to the date this Bidder's Statement was lodged with the ASIC | 6.6 cents |
| Lowest trading price in the 4 months prior to the date this Bidder's Statement was lodged with the ASIC | 4.7 cents |
| Closing trading price on the last trading day before the date Glengarry announces the Takeover Bid | 5.2 cents |
| Last available closing price of Glengarry Shares on ASX prior to the date this Bidder's Statement was lodged with the ASIC | 5.0 cents |

4.8 **Changes to Capital**

Outlined below is the capital structure of Glengarry assuming completion of the Offers.

The actual number of Glengarry Shares and Glengarry Options on issue will depend upon the number of acceptances of the Share Offer and the Option Offer.

The tables assume that, between the Announcement Date and the end of the Offer Period, no Glengarry Options are exercised and no Centaurus Bid Options or Centaurus Other Options are granted or exercised.

| Glengarry Shares | Number Assuming 90% Acceptance | Number Assuming 100% Acceptance |
|---------------------------|--------------------------------|---------------------------------|
| Glengarry Shares on issue | 286,003,678 | 286,003,678 |
| Takeover consideration | 285,125,076 | 316,805,640 |
| TOTAL | 571,128,754 | 602,809,318 |

If 100% of Centaurus Shareholders as at the date of this Bidder's Statement accept the Share Offer, Centaurus Shareholders will become entitled to 53% of the issued share capital of Glengarry, on an undiluted basis. The following table shows the number of Glengarry Options which will be on issue following completion of the Offers:

| Glengarry Options | Number Assuming 90% Acceptance | Number Assuming 100% Acceptance |
|---|--------------------------------|---------------------------------|
| Glengarry Options on issue ¹ | 11,850,000 | 11,850,000 |
| Takeover consideration ² | 55,367,453 | 61,519,392 |
| TOTAL | 67,217,453 | 73,369,392 |

Notes:

1. In various classes as set out in Section 4.5(b).
2. In various classes as summarised in Annexure E. Further, it does not include the issue of any Glengarry Options which Glengarry may grant to holders of the Centaurus Other Options which are not subject to the Option Offer.

4.9 **Effect on Substantial Shareholders of Glengarry Post Completion of the Takeover Bid**

The acquisition of Centaurus will impact the substantial shareholders of Glengarry. Based on current shareholdings known to Glengarry, the table below summarises the expected substantial shareholders of Glengarry on completion of the Offers.¹

| Name | Number of Glengarry Shares held post Completion of the Takeover Bid | Current Relevant Interest (%) | Relevant Interest Following Completion of the Takeover Bid (%) |
|------------------|---|-------------------------------|--|
| Mr Darren Gordon | 51,373,336 | 15.38 | 8.52 |

Note:

1. Assumes no Glengarry Options or Centaurus options are exercised and 100% acceptance of the Share Offer.

4.10 **Further Information**

As a company whose shares are quoted on the ASX, Glengarry is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. Copies of all documents lodged with ASIC in relation to Glengarry may be obtained for a fee from, or inspected at, an office of the ASIC.

As permitted by ASIC Class Order 01/1543, this Bidder's Statement contains statements which are made, or based on statements made, in documents lodged with the ASIC or ASX. The Class Order permits certain statements to be included in this Bidder's Statement without the consent of the person to whom the statement was attributed where the statement was made in a document lodged with the ASIC or ASX.

Pursuant to the Class Order, Glengarry will provide a copy of the documents referred to below, free of charge, to any person who asks for them during the Offer Period:

- (a) Glengarry's 2009 Annual Financial Report containing the financial statements for the period ended 30 June 2009 (being the latest annual financial report containing the financial statements for a financial year most recently lodged with the ASIC in relation to Glengarry before the date of this Bidder's Statement); and
- (b) all documents and announcements used to notify ASX of information relating to Glengarry under the provisions of the Listing Rules since lodgement of its 2009 audited Annual Financial Report, being the documents set out in Annexure C to this Bidder's Statement.

There is no information which has been excluded from a continuous disclosure notice in accordance with the Listing Rules or in the Bidder's Statement that Centaurus Shareholders or Centaurus Optionholders and their professional advisers would reasonably require for the purpose of making an informed assessment of:

- (a) the assets and liabilities, financial position and performance, profits and losses and prospects of Glengarry; and
- (b) the rights and liabilities attaching to the Glengarry Shares to be issued pursuant to the Share Offer and to the Glengarry Options to be issued pursuant to the Option Offer.

5. PROFILE OF CENTAURUS

5.1 Disclaimer

This overview of Centaurus and all financial information concerning Centaurus contained in this Bidder's Statement has been prepared by Glengarry using publicly available information, and information provided by Centaurus during negotiations for the execution of the Implementation Agreement, adjusted where considered appropriate by Glengarry based on Glengarry's industry knowledge and expertise.

Glengarry conducted a review of certain information and documents made available by Centaurus and met with certain Centaurus executives before it announced its intention to make the Takeover Bid on 11 November 2009.

The information in this Bidder's Statement concerning Centaurus has not been independently verified. Glengarry does not, subject to the Corporations Act, make any representation or warranty, express or implied, as to the accuracy or completeness of this information.

The primary sources of information about Centaurus used by Glengarry were as follows:

- (a) information provided by Centaurus Directors and management during negotiations of the Implementation Agreement including limited due diligence investigations;
- (b) other publicly released information in relation to Centaurus; and
- (c) Glengarry's own knowledge and industry experience.

Further information relating to Centaurus is expected to be included in the target's statement which Centaurus must provide to the Centaurus Shareholders.

5.2 Overview of Centaurus' Activities

This Section 5.2 contains a summary of Centaurus' activities. Further information on Centaurus can be obtained from Centaurus' website (<http://www.centaurus.com.au>).

Centaurus is an Australian-based, Brazilian focussed iron ore exploration company and aspiring producer that has announced an objective to commence iron ore production in Brazil by the end of 2010.

Centaurus listed on the ASX on 10 August 2007.

Centaurus Board of Directors

As at the date of this Bidder's Statement, the Centaurus Directors are:

- (a) Mr Richard Hill - Non-Executive Chairman;
- (b) Mr Mark Papendieck - Managing Director; and
- (c) Mr Peter Freund - Executive Director.

Overview of Centaurus

Centaurus has a stated strategy of building a carbon steel materials focussed business in Brazil. Centaurus is initially seeking to bring one of its itabirite (iron ore) mines into production prior to the end of 2010, with product sold to the Brazilian domestic steel sector. Centaurus then plans to use the initial positive cash flow generated from these mines to expand its carbon steel materials business to a point where it can build a resource base of sufficient size to enter the sea-borne iron ore export market from Brazil.

Ultimately, Centaurus has a broader objective of either acquiring or developing a 250 to 500 million tonne JORC Code compliant resource base of itabirite iron ore, generally grading between 30-45% Fe (iron).²

Centaurus also holds further prospective iron ore and manganese projects in Brazil, along with prospective gold projects in Brazil and New South Wales. Centaurus is currently giving the majority of its focus to the initial iron ore projects.

Centaurus' iron ore projects are located in an area known as the "Iron Quadrangle" in south-eastern Brazil. The Iron Quadrangle hosts a number of large operational iron ore mines, as well as being in close proximity to a number of end users in the form of large steel mills and smaller pig iron plants. Strong domestic demand exists for stable quality product of the form Centaurus is intending to initially produce.

Development Pathway

Based on a positive scoping study for the Itambé Project completed in October 2009, Centaurus is proposing a two stage development pathway targeting the first stage production by December 2010.

Subject to obtaining all necessary regulatory licences and approvals, stage one production will commence via a Brazilian Trial Mining Licence, which allows extraction of 300,000 tonnes of mine material (approximately 180,000 tonnes of beneficiated product) per licence.

Stage two has currently been evaluated on an expansion to 500,000 tonnes per annum of beneficiated product. Centaurus believes potential exists for production at the Itambé Project to be optimised at a higher annual production rate of 1M tonnes per annum of product, which will be investigated by a feasibility study due to commence in 2010. Again, any such stage two activities are subject to obtaining all necessary regulatory licences and approvals.

Further production is to be investigated out of the Passabem Iron Ore Project. The Passabem Project is not as advanced as the Itambé Project, and its potential will be quantified by a scoping study soon to be undertaken at the project.

5.3 **Project Assets**

Itambé Iron Ore Project

The Itambé Iron Ore Project is Centaurus' most advanced Brazilian iron ore project. This project is 100% owned by Centaurus.

The Itambé Project is in the state of Minas Gerais, and located near the city of Belo Horizonte in Brazil's Iron Quadrangle. Centaurus has focussed its resources on exploring and developing the Itambé-1 exploration licence in order to meet planned development and production timeframes and has made application for the necessary approvals and licences to enable trial mining to occur.

To date, an initial JORC Code compliant resource of 15.5 million tonnes of itabirite iron ore (Inferred JORC category) grading 37.2% Fe has been delineated at Itambé, and a scoping study has been concluded with the results announced to the market on 28 October 2009.

Passabem Iron Ore Project

The Passabem Iron Ore Project is Centaurus' second most advanced Brazilian iron ore project. This project is 100% owned by Centaurus.

² References to targets of Iron Ore tonnages and grades are only conceptual in nature as, where these targets are mentioned, there has been insufficient or unverified exploration data to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.

An initial 2.6 million tonne itabirite iron ore resource (Inferred JORC Code category) grading 31.2% has been defined at Passabem. A scoping study is planned to commence in the first half of 2010 including further resource drilling over the remaining 90% of the known iron formation which has not yet been drill tested.

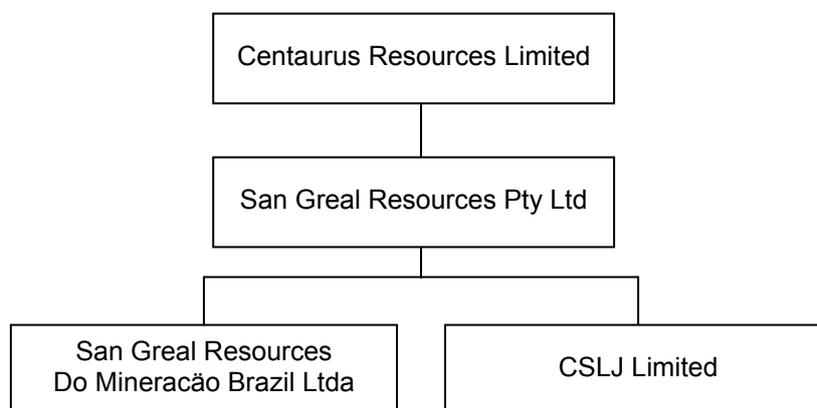
Other Projects

Centaurus' other Brazilian and Australian projects include:

- Rio Pardo Iron Ore Project (100% interest): A potential large-scale iron ore exploration project located in the northern part of the State of Minas Gerais in Brazil;
- Ponte de Pedra Manganese Project (100% interest): Located in the State of Minas Gerais in Brazil, this is a project with a number of prospective manganese exploration targets that are still to be adequately tested;
- Dish Gold Project (100% interest): Located in the Lachlan Fold belt of New South Wales, prospective for Wyoming-style orogenic gold systems; and
- Other gold tenements: Centaurus also holds a 100% interest in a number of prospective gold tenements in the Rio Grande do Sul and Santa Catarina States of southern Brazil.

5.4 Centaurus Group Structure

A group structure of the Centaurus Group is shown below:



All subsidiaries of Centaurus are 100% beneficially owned.

5.5 Information about Centaurus Securities

(a) Centaurus Shares

As at 25 November 2009:

- Centaurus had 39,600,705 Centaurus Shares on issue; and
- there were approximately 994 Centaurus Shareholders.

The top ten Centaurus Shareholders as at 25 November 2009 were as follows:

| Centaurus Shareholder | Centaurus Shares | |
|--|------------------|--------------|
| | Number | Percentage |
| UBS Wealth Management Australia Nominees P/L | 1,906,520 | 4.81 |
| Mr Mark John Papendieck | 1,109,500 | 2.80 |
| Mr Richard Grant Hill | 1,081,430 | 2.73 |
| Mr Darren Peter Gordon | 921,667 | 2.33 |
| Egg.Au P/L | 883,650 | 2.23 |
| Mr Matthew Glenn Sikirich | 826,000 | 2.09 |
| Austock Investments P/L | 800,000 | 2.02 |
| Matzo Consulting P/L | 756,760 | 1.91 |
| Mr Klaus Juergen Petersen | 660,000 | 1.67 |
| Mr Robin Scrimgeour | 629,638 | 1.59 |
| TOTAL | 9,575,165 | 24.18 |

(b) **Centaurus Bid Options**

As at the date of this Bidder's Statement, Centaurus has 7,689,924 unlisted Centaurus Bid Options on issue with varying terms, expiry dates and exercise prices. Refer to Annexure E for details.

(c) **Centaurus Other Options**

As at the date of this Bidder's Statement, Centaurus has 5,315,000 unlisted Centaurus Other Options on issue which are not subject to the Option Offer.

5.6 **Change in Centaurus' Financial Position**

Other than as disclosed in this Bidder's Statement or to the ASX, Glengarry is not aware of there being any material change in the financial position of Centaurus since the lodgement with ASX on 30 October 2009 of Centaurus' Annual Report for the 12 months ended 30 June 2009.

5.7 **Website**

Centaurus maintains a website, <http://www.centaurus.com.au>, which contains further information about Centaurus and its operations.

5.8 **Further Information on Centaurus**

As a company whose shares are quoted on the ASX, Centaurus is a disclosing entity and, as such, is subject to regular reporting and disclosure obligations. A substantial amount of information concerning Centaurus has previously been notified to the ASX and is therefore publicly available.

Centaurus Shareholders may obtain or inspect a copy of documents lodged with the ASIC at an office of the ASIC or of documents lodged with the ASX at an office of the ASX. In addition, on request to Glengarry and free of charge, Centaurus Shareholders may obtain a copy of, or inspect, any documents referred to in this Bidder's Statement which have been lodged with the ASIC or given to the ASX.

The ASX announcements made by Centaurus to the ASX since the lodgement of its 2009 audited Annual Report are set out in Annexure D to this Bidder's Statement.

6. RATIONALE FOR THE OFFERS AND INTENTIONS OF GLENGARRY

6.1 Rationale for the Offers

Glengarry believes that there are a number of key strategic and financial benefits that will arise from the successful acquisition of Centaurus by Glengarry. These include:

- The Share Offer will allow Centaurus Shareholders to benefit from an increase in cash reserves to approximately \$9.1 million on completion of the merger. This strong cash position will be utilised to fund the development of Centaurus' Brazilian iron ore projects that have near-term production potential and the ability to generate cash flow in a reasonable timeframe to fund further growth opportunities.
- The Glengarry Board and the senior Glengarry management team have significant depth of iron ore experience including financing, development and operation of major iron ore assets. With the Merged Entity, there will be an expanded board and management team, which includes former senior members of the management team from the West Australian iron ore company, Gindalbie Metals Ltd, and it will possess the expertise to add shareholder value in the near term.
- Centaurus Shareholders and Centaurus Optionholders who accept the Offers will continue to have an ongoing interest in the development of Centaurus' projects.
- The Merged Entity will have extensive and prospective iron ore exploration projects in Brazil and a portfolio of gold and copper exploration properties both in Brazil and Australia.

6.2 Approach and Intentions of Glengarry

Sections 6.3 to 6.8 set out the intentions of Glengarry on the basis of facts and information concerning Centaurus which are known to Glengarry at date of this Bidder's Statement. However, Glengarry will only reach final decisions in light of material facts and circumstances at the relevant time.

Accordingly, the statements set out in these Sections are statements of current intentions only which may vary as new information becomes available or circumstances changes.

6.3 Intentions upon Acquiring More than 50.1% but less than 90% of the Centaurus Shares

On completion of the Share Offer, Glengarry may hold a sufficient number of Centaurus Shares to exercise control over the management and operations of Centaurus, but may not be entitled to compulsorily acquire all outstanding Centaurus Shares.

If Glengarry acquires less than 90% of the Centaurus Shares on issue, Glengarry may only declare the Share Offer free of the minimum 90% acceptance condition (refer to Section 1.9 of Annexure A) with the consent of Centaurus. If Glengarry acquires more than 50.1% of the Centaurus Shares on issue then Centaurus Shareholders and Centaurus Optionholders should be aware that, if they do not accept the Offers, they may become a "locked-in" minority after the end of the Offer Period.

Glengarry's specific intentions under this situation are as follows:

(a) ASX Listing

Glengarry intends, through its nominee directors, to seek to maintain Centaurus' listing on the ASX while it meets ASX's requirements for maintaining a listing but only if the benefits of that listing outweigh the corporate and compliance costs of doing so.

(b) Directors

Glengarry will seek the appointment of its nominees as Centaurus Directors. No decision has been made as to the identity of these directors. Glengarry has not made any decision about whether Centaurus Directors will be retained on the board.

If Glengarry's nominees are appointed as directors, Glengarry will be seeking that its nominees implement the intentions set out in this Section 6.3 (based on the information currently available to it). It should be noted that Glengarry expects that each of its nominees to the Centaurus Board will exercise their own independent judgement and skill when it comes to the operational, financial and business decisions relating to Centaurus. Glengarry's only influence will be through its position as a shareholder in Centaurus.

(c) Financing

Under this scenario, Centaurus will remain responsible for raising capital to undertake exploration and development work. This may lead to a dilution of remaining Centaurus Shareholders as new capital is introduced into Centaurus. To avoid further dilution, remaining Centaurus Shareholders may also be required to contribute to the capital needs of Centaurus to make available sufficient funding to facilitate development plans and future exploration.

In addition, debt funding required to implement any development and production activities will need to be independently sourced by Centaurus at market rates.

(d) Dividends

Glengarry expects that as Centaurus is still an exploration company, dividends will not be available from operating profits of Centaurus for the foreseeable future.

(e) Review of Centaurus Operations and Assets

Glengarry intends, through its nominee directors on the Centaurus Board, to conduct an immediate review of Centaurus' operations on both a strategic and financial level to determine mechanisms for improving the performance and return to Centaurus Shareholders and realise any potential operational and financial synergies.

The detailed outcome of the review is not able to be determined at this stage, although it is likely to involve some, or all, of the following:

- (i) targeting the development of one of Centaurus' iron ore deposits to enable production of iron ore as soon as practicable;
- (ii) identifying and assessing the prospectivity or exploration potential of Centaurus' assets and how best to assign resources to undertake further detailed exploration;
- (iii) understanding any existing material third party contractual arrangements; and
- (iv) eliminating duplication of functions where it is economical to do so.

The key objective of this review will be to ascertain the potential for fast tracking development of Centaurus' iron ore projects and to establish the operating and cost synergies from the incorporation of the Centaurus team and operations into the Glengarry operating structure.

(f) **Employees**

The status of Centaurus' existing employees will be considered as part of the review outlined in Section 6.3(e) above. Glengarry intends, through its nominee directors, to seek to retain operational experience inherent in Centaurus' existing staff and cooperate with the existing Centaurus employees to develop Centaurus' assets. However, it is possible that Glengarry may consider that certain operational functions may be redundant and, if so determined by the Centaurus Board, some redundancies may occur as a result. The incidence, extent and timing of such job losses cannot be predicted in advance.

6.4 **Intentions upon Acquisition of 90% or more of the Centaurus Shares and 90% of the Value of all Centaurus Securities**

This Section describes Glengarry's intentions if Glengarry acquires a relevant interest in 90% or more of the Centaurus Shares and in total 90% of the value of all Centaurus securities on issue at the end of the Offer Period. If this was to occur, Glengarry becomes entitled to proceed to compulsory acquisition of the outstanding Centaurus Shares and any other Centaurus securities on issue which it is entitled to compulsorily acquire in accordance with Part 6A.1 of the Corporations Act.

Glengarry intends (based on the information currently available to it) to implement its intentions as set out in Section 6.3 above except as noted below.

(a) **Compulsory Acquisition**

Glengarry intends to proceed with the compulsory acquisition of any Centaurus Shares not acquired under the Share Offer and any other Centaurus securities on issue which it is entitled to compulsorily acquire in accordance with the Corporations Act.

(b) **ASX Listing**

After the conclusion of the compulsory acquisition process, Glengarry intends to arrange for Centaurus to be removed from the Official List (subject to obtaining any required approval from ASX).

(c) **Employees**

Subject to the outcome of its review, it is Glengarry's intention to integrate Centaurus' management team into Glengarry as a specialist iron ore resources business.

Glengarry will make decisions regarding senior management positions following the general operation review referred to above, and will implement those decisions through its nominee directors.

Glengarry will seek to retain operational experience inherent in Glengarry's and Centaurus' existing staff. However, where Glengarry decides there is a duplication, then the role will be filled by the best candidate in the opinion of the Glengarry management. Glengarry will consider whether there are opportunities elsewhere in the Merged Entity for those employees whose positions may become redundant as part of the combining of management groups.

As a result of the implementation of these intentions, it is possible that certain operational functions will become redundant. Some redundancies may occur as a result, however, the incidence, extent and timing of such job losses cannot be predicted in advance. If redundancies do occur, the relevant employees will receive benefits in accordance with their contractual and other legal entitlements.

It should be recognised that the growing Glengarry business will require additional resources with the specific skills of the current Centaurus team to be assessed against future requirements.

6.5 **Intentions upon Acquiring Less than 50.1% of the Centaurus Shares**

If, at the end of the Offer Period, Glengarry holds less than 50.1% of the Centaurus Shares, the Offers will not proceed unless the defeating condition of the Offers that Glengarry hold at least 90% of the Centaurus Shares is waived.

The consent of Centaurus (under the Implementation Agreement) is required for any waiver of the 90% minimum acceptance condition.

If the condition is waived, Glengarry intends (based on the information currently available to it) to seek to pursue its intentions as set out in Section 6.3 above.

6.6 **Intentions upon Acquiring 90% or more of the Centaurus Options but less than 90% of the Centaurus Shares**

If, at the end of the Offer Period, Glengarry holds 90% or more of the Centaurus options but less than 90% of the Centaurus Shares, then Glengarry does not, at this time, intend to seek to compulsorily acquire all outstanding Centaurus options. However, Glengarry will reassess this position at the relevant time, particularly if it holds close to 90% of the Centaurus Shares.

6.7 **Other Intentions**

Except for the changes and intentions set out in this Section 6 and subject to the outcome of the review, it is the present intention of Glengarry (based on the information presently available to it) to:

- (a) continue to hold the key assets of Centaurus and maintain its business in substantially the same manner as it is presently being conducted;
- (b) not make any major changes to the business or assets of Centaurus and not redeploy any of the fixed assets of Centaurus; and
- (c) continue the employment of the majority of Centaurus' employees.

6.8 **Limitations in Giving Effect to Intentions**

The ability of Glengarry to implement the intentions set out in this Section 6 will be subject to the legal obligations of the Directors to have regard to the interests of Centaurus and all Centaurus Shareholders, and the requirements of the Corporations Act and the Listing Rules relating to transactions between related parties conflicts of interests. Glengarry will only make a decision on the above mentioned courses of action following legal and financial advice in relation to those requirements.

7. FINANCIAL INFORMATION

7.1 Overview

This Section contains an unaudited balance sheet for Glengarry and Centaurus, both of which have been extracted from internal management accounts. The internal management accounts have been prepared on a consistent basis with the accounting policies disclosed in Glengarry's and Centaurus' audited financial reports for the year ended 30 June 2009.

The unaudited pro-forma balance sheet of the Merged Entity presents Glengarry's financial position as at 31 October 2009 as if Glengarry had acquired 100% of Centaurus on that date. Acquisition accounting entries have been based on the terms of the Offers and the assumptions set out in at the end of the balance sheet in order to arrive at an unaudited pro-forma consolidated balance sheet for the Merged Entity as at 31 October 2009.

Glengarry will undertake a comprehensive assessment of the fair value of the assets and liabilities acquired after completion of the Offers.

The unaudited pro-forma balance sheet is indicative only. Glengarry has drawn its own conclusions based on the known facts and other publicly available information. If the factors, circumstances, assumptions or other information should prove to be different to that described, the conclusions may change accordingly.

This Section should be read in conjunction with Section 6 of this Bidder's Statement, which provides details of Glengarry's current intentions regarding Centaurus.

Unaudited Pro-Forma Merged Entity Balance Sheet if Glengarry Acquires 100% of Centaurus at 31 October 2009

| | Glengarry Resources Unaudited Balance Sheet as at 31 October 2009 | Centaurus Resources Unaudited Balance Sheet as at 31 October 2009 | Consolidation Entries | Pro-Forma Consolidated Balance Sheet of the Merged Entity as at 31 October 2009 |
|--|---|---|-----------------------|---|
| | \$ | \$ | \$ | \$ |
| Current assets | | | | |
| Cash and cash equivalents | 8,939,114 | 1,439,801 | (1,250,000) | 9,128,915 |
| Other receivables | 95,061 | 88,521 | - | 183,582 |
| Total current assets | 9,034,175 | 1,528,322 | (1,250,000) | 9,312,497 |
| Non current assets | | | | |
| Receivables | - | 210,520 | - | 210,520 |
| Available for sale financial assets | - | 583,334 | - | 583,334 |
| Plant and equipment | 17,676 | 291,154 | - | 308,830 |
| Exploration and evaluation assets | - | 8,318,544 | 7,880,804 | 16,199,348 |
| Held for trading derivative instrument | - | 67,500 | - | 67,500 |
| Total non current assets | 17,676 | 9,471,052 | 7,880,804 | 17,369,532 |
| Total assets | 9,051,851 | 10,999,374 | 6,630,804 | 26,682,029 |
| Current liabilities | | | | |
| Trade and other payables | 165,994 | 221,302 | - | 387,296 |
| Employee benefits | 23,372 | 51,773 | - | 75,145 |
| Total current liabilities | 189,366 | 273,075 | - | 462,441 |
| Total liabilities | 189,366 | 273,075 | - | 462,441 |
| Net assets | 8,862,485 | 10,726,299 | 6,630,804 | 26,219,588 |
| Equity | | | | |
| Issued capital | 15,544,255 | 23,966,417 | (5,359,314) | 34,151,358 |
| Reserves | 522,509 | 5,256,606 | (5,256,606) | 522,509 |
| Accumulated losses | (7,204,279) | (18,496,724) | 17,246,724 | (8,454,279) |
| Total equity | 8,862,485 | 10,726,299 | 6,630,804 | 26,219,588 |

7.2 Assumptions

Glengarry acquires 100% of the Centaurus Shares and Centaurus Bid Options and Centaurus Other Options.

Glengarry is assumed to be the acquirer for the purposes of Australian Accounting Standards and is required to consolidate Centaurus. Australian Accounting Standard AASB 3 Business Combinations (AASB 3) requires that all business combinations are accounted for using the purchase method. This involves assigning fair values at the settlement date to the identifiable assets, liabilities and contingent liabilities, including intangible assets assumed.

A formal analysis of the fair value of the net assets acquired will be performed post completion of the transaction.

Purchase consideration of \$18,607,103 consists of:

| | \$ |
|---|------------|
| New Glengarry Shares for Centaurus Shares at Glengarry market value on 6 November 2009 of 5.2 cents | 16,473,893 |
| New Glengarry Options for Centaurus Bid Options at fair value on 6 November 2009 | 2,133,210 |
| | <hr/> |
| Total Purchase Consideration | 18,607,103 |
| | <hr/> |

The excess of the purchase consideration over the net assets and liabilities acquired has been attributed to exploration and evaluation assets.

The after tax impact of estimated expenses of the acquisition of \$1,250,000 have been expensed in accordance with AASB 3.

7.3 Outlook for the Merged Entity

This Bidder's Statement does not include any financial forecasts or projections for revenue or profit in relation to Glengarry, Centaurus or the Merged Entity.

Glengarry considers that the inclusion of financial forecasts would be speculative and potentially misleading for Centaurus Shareholders given:

- (a) there is limited public information about the prospectivity of Centaurus' iron ore assets;
- (b) Centaurus' assets are presently undeveloped;
- (c) the rate of development is subject to inherent risks associated with material grades and quantities, mining and process equipment availability, rail access, the granting of production licenses, extraction and logistics costs, and
- (d) the future market prices for iron ore are inherently uncertain.

8. AUSTRALIAN TAX CONSIDERATIONS

The following is a general description of the Australian taxation implications for Centaurus Shareholders and Centaurus Optionholders who accept the Offer to receive 8 Glengarry Shares for every 1 Centaurus Share they hold and 8 Glengarry Options for every 1 Centaurus Option they hold.

The information contained in this description is of a general nature only. It does not constitute tax advice and should not be relied upon as such. This description only outlines the general Australian taxation implications for Centaurus Shareholders and Centaurus Optionholders. Centaurus Shareholders and Centaurus Optionholders should seek independent taxation advice in relation to their own particular circumstances.

This information is based on current taxation law as at the date of preparation of this description. Australian tax law is frequently being changed, both prospectively and retrospectively. A number of key tax reform measures have been implemented and a number of other key reforms have yet to be implemented. The status of some key reforms remains unclear at this stage.

8.1 Australian taxation consequences for Australian resident Centaurus Shareholders

Shareholders holding Shares on Capital Account

In broad terms the Australian tax consequences for Centaurus Shareholders who are residents of Australia for taxation purposes (Australian residents) who hold their Centaurus Shares on capital account and who accept the Share Offer will depend on whether or not 'scrip for scrip' capital gains tax (CGT) rollover relief is available and, if available, is elected. The following discussion considers the general Australian tax consequences for Australian resident Centaurus Shareholders where:

- (i) rollover relief is available and elected; and
- (ii) rollover relief is not available or is not elected.

Given the complexity of the taxation legislation, Centaurus Shareholders should seek independent taxation advice regarding the tax consequences of disposing of Centaurus Shares given the particular circumstances which apply to them.

(a) *Acceptance of the Share Offer where rollover relief is available and is elected*

- (i) Australian resident Centaurus Shareholders may be entitled to 'scrip for scrip' CGT rollover relief in respect of the consideration referable to Glengarry Shares where the exchange of the shares would otherwise realise an assessable capital gain. Broadly speaking, rollover relief is available to shareholders who exchange shares in one company for shares in another company where the transaction is made pursuant to a takeover bid and provided certain qualifying conditions are satisfied.
- (ii) In broad terms, these qualifying conditions include:
 - A. the Centaurus shares were acquired by the Centaurus Shareholders on or after 20 September 1985 and apart from the roll-over, the Centaurus Shareholders would make a capital gain from the Takeover Bid;
 - B. the Centaurus shares are exchanged for Glengarry Shares under the Takeover Bid;
 - C. Glengarry must become the owner of at least 80% of the voting shares in Centaurus as a consequence of the Takeover Bid; and
 - D. all the owners of voting shares in Centaurus could participate in the Takeover Bid on substantially the same terms. Participation will be

deemed to be on substantially the same terms even if Foreign Centaurus Shareholders who accept the Share Offer will receive cash for their Glengarry Shares under the Takeover Bid and pursuant to subsection 619(3) of the Corporations Act.

- (iii) If the qualifying conditions are satisfied and a Centaurus Shareholder elects for rollover relief to apply the rollover relief is available.
- (iv) The effect of the rollover relief is that the Centaurus Shareholder's total capital gain will be deferred until the Glengarry Shares are disposed. That is, the capital gain arising from the disposal of the Centaurus Shares is disregarded.
- (v) Centaurus Shareholders who elect for rollover relief will retain the cost base of their Centaurus Shares as the cost base of their replacement Glengarry Shares. Specifically, the cost base of the replacement Glengarry Shares is calculated by reasonably attributing to it the cost base of the Centaurus Shares for which the rollover is obtained.
- (vi) As discussed above, rollover relief will only be available if the qualifying conditions are satisfied and Centaurus Shareholders elect to apply for it. Further, rollover relief is not available if Centaurus Shareholders realise a capital loss on the disposal of their Centaurus Shares.
- (vii) Given the complexity of the provisions governing a rollover relief and the various qualifying conditions that need to be satisfied, Centaurus Shareholders should seek independent taxation advice regarding their particular circumstances.

(b) *Acceptance of the Share Offer where rollover relief is not available or is not elected*

- (i) Acceptance of the Share Offer will result in a disposal by a Centaurus Shareholder of their Centaurus Shares for CGT purposes.
- (ii) An Australian resident Centaurus Shareholder may make a capital gain or capital loss, depending on whether their capital proceeds from the exchange are more than the cost base of their Centaurus Shares, or whether those capital proceeds are less than the cost base of those shares.
- (iii) The capital proceeds that a Centaurus Shareholder will be taken to have received in respect of the disposal of his Centaurus Shares will generally be the market value of Glengarry Shares on the date of implementation of the Share Offer.
- (iv) The cost base of Centaurus Shares will generally be the cost at which they were acquired including any incidental costs of acquisition.
- (v) An Australian resident Centaurus Shareholder will make a capital gain if their capital proceeds from the exchange exceeds the cost base of their Centaurus Shares.

To the extent that an Australian resident Centaurus Shareholder has current year capital losses or prior year net capital losses, they may be able to offset their capital gain arising from this Takeover Bid firstly, against their current year capital losses and then their prior year net capital losses, subject to satisfying the loss recoupment rules.

- (vi) After offsetting any capital losses, certain Australian resident Centaurus Shareholders may be eligible for the CGT discount.

Specifically, where Centaurus Shares have been held for at least 12 months before their disposal, a shareholder who is an individual, a complying superannuation entity or the trustee of a trust should be able to reduce the capital gain arising from the disposal of Centaurus Shares by the CGT discount. Eligible Centaurus Shareholders who are individuals or trusts will be able to reduce the capital gain arising on the disposal of Centaurus Shares by one-half. Eligible shareholders who are complying superannuation entities will be able to reduce the nominal capital gain on the disposal of the shares by one-third.

Centaurus Shareholders who are companies will not be entitled to the CGT discount.

The net capital gain may then be reduced by any current year and/or prior year net revenue losses, subject to satisfying the loss recoupment rules.

- (vii) Where the amount of capital proceeds received by a Centaurus Shareholder in respect of the disposal of their Centaurus Shares (that is, the market value of the Glengarry Shares received pursuant to the Share Offer for their Centaurus Shares) is less than the reduced cost base of those Centaurus Shares, then the shareholder should realise a capital loss for Australian CGT purposes.

Any capital loss may be used to offset current year capital gains or carried forward to offset future capital gains, subject to satisfying the loss recoupment rules for corporate shareholders.

Shareholders holding Shares on Revenue Account

The Australian tax consequences for Australian resident Centaurus Shareholders who hold their Centaurus Shares on revenue account (e.g. held for the purpose of profit-making by sale) and who accept the Share Offer will be to include the amount received (the market value of the Glengarry Shares) over the cost of acquisition of the Centaurus Shares as ordinary assessable income. Where the market value of Glengarry Shares is less than the cost of Centaurus Shares the loss may be able to be claimed as an allowable deduction.

Shareholders holding Shares as Trading Stock

The Australian tax consequences for Australian resident Centaurus Shareholders who hold their Centaurus Shares as trading stock (e.g. as a share trader) and who accept the Share Offer will be to include the amount received (the market value of the Glengarry Shares) as assessable income.

8.2 Australian taxation consequences for non-resident Centaurus Shareholders

Shareholders holding Shares on Capital Account

- (a) Centaurus Shareholders who are not residents of Australia for tax purposes (non-residents) will only be subject to Australian CGT on the disposal of Centaurus Shares if:
 - (i) together with their associates, they directly own at least 10% or more of the Centaurus Shares:
 - A. at the time of the sale; or
 - B. throughout a 12 month period beginning no earlier than 24 months before the time of the sale and ending no later than the time of the sale; and

- (ii) if more than 50% of the value of Centaurus' assets is attributable to Australian real property.
- (b) Any resulting capital gain will be subject to the terms of any applicable double tax agreement between Australia and the country of residence of the Centaurus Shareholder. It is imperative that non-residents independently confirm their Australian tax position and any taxation implications in their country of residence.

Shareholders holding Shares on Revenue Account or as Trading Stock

Centaurus Shareholders who are non-residents of and who hold their Centaurus Shares on revenue account or as trading stock should seek their own professional advice. Taxation implications will depend on the source of the gain, the taxation rules of their country of residence and whether there is a double tax agreement between their country of residence and Australia.

8.3 Taxation consequences for Centaurus Optionholders

The following information is relevant to Centaurus Optionholders only and does not apply to Centaurus Other Options.

The Australian taxation consequences to Australian resident and non-resident Centaurus Optionholders are generally similar to those of Australian resident and non-resident Centaurus Shareholders.

Rollover relief may apply to Centaurus Optionholders where the options in Centaurus are exchanged for options in Glengarry. To qualify for rollover relief the transaction must be pursuant to the Takeover Bid and provided certain conditions are satisfied the effect of the rollover relief is that the Centaurus Optionholders defer any capital gain until such time as the Glengarry Options are disposed. The cost base of the Glengarry Options is calculated by reasonably attributing to it the cost base of the Centaurus Bid Options.

Given the complexity of the taxation legislation, Centaurus Optionholders should seek independent taxation advice regarding the tax consequences of disposing of Centaurus Bid Options given the particular circumstances which apply to them.

8.4 GST

- (a) GST should not apply to the disposal of Centaurus Shares or Centaurus Bid Options under the Offers, the issue of Glengarry Shares or Glengarry Options under the Offers, or any subsequent disposal of Glengarry Shares or Glengarry Options.
- (b) Centaurus Shareholders and Centaurus Optionholders who are registered for GST purposes may not be entitled to full input tax credits for any GST incurred on costs associated with acquiring or disposing of securities in Glengarry or Centaurus. Centaurus Shareholders and Centaurus Optionholders should seek their own tax advice in this respect.

9. RISK FACTORS

9.1 Overview

If the Offers become unconditional, Centaurus Shareholders and Centaurus Optionholders who accept the Share Offer and the Option Offer will become Glengarry Shareholders and Glengarry Optionholders respectively. In those circumstances, Centaurus Shareholders and Centaurus Optionholders will:

- (a) continue to be exposed to the risks associated with the investment in Centaurus as a result of their indirect interest in Centaurus through Glengarry;
- (b) be exposed to the risks which are specific to an investment in Glengarry; and
- (c) be exposed to additional risks relating to the Offers and the Merged Entity.

These risks are explained in detail below. Centaurus Shareholders and Centaurus Optionholders should read this Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Offers. By accepting the Share Offer, Centaurus Shareholders will be investing in Glengarry while Centaurus Optionholders who accept the Option Offer will be swapping their exposure to Centaurus for exposure to the Merged Entity.

The business activities of Glengarry are subject to various risks that may impact on the future performance of Glengarry. Some of these risks can be mitigated by the use of safeguards and appropriate systems and controls, while others can be covered by insurance but some are outside the control of Glengarry and cannot be mitigated or insured against.

Note, an investment in Glengarry carries no guarantee with respect to the payment of dividends, return of capital or price at which Glengarry Shares will trade and should be considered speculative. The principal risk factors include, but are not limited to, the following.

9.2 Business Risks of the Merged Entity

General Economic Climate

The Merged Entity's future can be affected by factors beyond its control such as supply and demand for its goods and services, and general economic conditions.

Commodity Price and Demand Volatility and Exchange Rate Risks

The Merged Entity's medium term performance will rely in part on prevailing Brazilian domestic market prices for iron ore. A prolonged decline in the prices of and demand for iron ore may have a material adverse effect on the Merged Entity.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of the Merged Entity are and will be taken into account in Brazilian and Australian currencies, exposing the Merged Entity 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.

Share Market

There are general risks associated with any investment and the share market. The price of Glengarry Shares on the ASX may rise and fall depending on a range of factors beyond Glengarry's control and which are unrelated to Glengarry's financial performance. These factors may include movements on international stock markets, interest rates and exchange rates, together with domestic and international economic conditions, inflation rates, investor perceptions, changes in government policy, commodity supply and demand, government taxation and royalties, war, global hostilities and acts of terrorism.

Liquidity Risk

There is no guarantee that there will be an ongoing liquid market for Glengarry Shares. Accordingly, there is a risk that, should the market for Glengarry Shares become illiquid, Glengarry Shareholders and Glengarry Optionholders will be unable to realise their investment in Glengarry.

Third Party Risk

As part of the Merged Entity's commercial activities, the Merged Entity will be a party to, and will enter into, various contracts with third parties for the supply of products and services, sales contracts and financial instruments, amongst other things. An inability of those third parties to meet their commitments under such contracts may have an impact on the Merged Entity's financial position.

Reliance on Key Management

The responsibility of overseeing the day-to-day operations and the strategic management of the Merged Entity depend substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Merged Entity if one or more of these employees cease their employment.

Additional Requirements for Capital

The continued operations of the Merged Entity are dependent on its ability to obtain financing through debt and equity financing, or generating sufficient cash flows from future operations. There is a risk that the Merged Entity 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 Merged Entity's business and financial condition.

Changes in Government Policy and Laws

Changes in government policy (such as in relation to taxation) or statutory changes may affect the Merged Entity's business and its operations.

Market Risk and Interest Rate Volatility

The Merged Entity may wish to borrow money but this will be subject to the availability of debt at the time the Merged Entity wishes to borrow money and the interest rates which may be fixed or floating.

Insurance Risks

Glengarry maintains insurance for certain activities within ranges of coverage that it believes to be consistent with industry practice and having regard to the nature of activities being conducted. The occurrence of an event that is not covered or fully covered by insurance could have a material adverse effect on the business, financial condition and results of the Merged Entity.

Competition

There is a risk that the Merged Entity will not be able to continue to compete profitably in supplying iron ore to the domestic Brazilian steel industry. The potential exists for the nature and extent of the competition to change rapidly, which may cause loss to the Merged Entity.

Local Demand for Iron Ore

Although the iron and steel mills in Brazil acquire iron ore from producers in Brazil and although their purchasing specifications appear to be able to be met by the specifications of the iron ore within Centaurus' project areas, there can be no certainty that any Centaurus iron ore product is saleable without entering into an iron ore sales agreement with one or more such steel mills. Similarly, the local market for domestic sales has the capacity to consume all of the iron ore which Centaurus currently expects it can produce but there is no certainty that the steel mills will in fact purchase their requirements from Centaurus.

Exploration, Development and Production Risks

The operations of the Merged Entity may be affected by various factors, including inability to develop the Merged Entity's assets into an economical business; failure to locate or identify mineral deposits, over estimation of reserves; failure to achieve predicted grades in exploration and mining; failure to fully test the deposit thereby not fully understanding the metallurgy of a deposit which may affect extraction costs; operational and technical difficulties encountered in exploration and mining; inappropriate design of mining plant, difficulties in commissioning and operating plant and equipment; mechanical failure or plant breakdown; adverse weather conditions; industrial and environmental accidents; industrial disputes; and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment and failure to obtain necessary consents and approvals.

The exploration costs of the Merged Entity 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 Merged Entity's viability.

The Merged Entity will carry out a review of all the projects in which it holds an interest and as a result of this, the priority for the exploration or development of each individual project may change.

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 development timeframe for a project is dependent in part on obtaining various approvals. The time it requires to obtain such approvals is not certain. In particular, the timetable for first production from the Itambê project of late 2010 is subject to the approval of the final exploration report that has been submitted on the Itambê-1 tenement by the Brazilian mining authority and the grant of the necessary environmental licence and trial mining licence for that proposed trial mining operation. As an initial matter, if the final exploration report is not approved, the Itambê-1 mineral rights will be placed up for tender by third parties. Similarly, further production from this or any other projects is dependent on the grant of a mining concession over the relevant project areas and the grant of any necessary licences and approvals required as a part of the process of obtaining a mining concession.

Upon lodgement of the final exploration report in relation to an exploration licence in Brazil the rights to conduct further exploration activities cease until such time as a mining concession is granted or a utilisation bill or special authorisation is granted allowing respectively, certain trial mining activities or additional exploration activities to be undertaken. This limitation on continued exploration has the potential of delaying the progress of project development and the commencement of production.

To the extent that these approvals and licences are issued at the discretion of the relevant regulatory authorities, there is no certainty that the Merged Entity will be able to obtain the grant of these necessary licences and approvals within any proposed timeframe, or at all.

Landowner Risk

The Merged Entity 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 Merged Entity's ability to resolve compensation issues and compensation costs involved will have an impact on the future success and financial performance of the Merged Entity's mining operations. If the Merged Entity 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 Merged Entity. Further, in Brazil, exploration works may only begin on a mining 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.

Title Risks

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 Centaurus 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 Merged Entity 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 Merged Entity may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that tenement.

Overseas Operations

The primary operations for the Merged Entity will be in Brazil and there are risks associated with the Merged Entity operating across differing cultural, language, corporate and tax environments.

Resource Estimates

Resource estimates are expressions of judgement based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. As further information becomes available through additional fieldwork and analysis, the estimates are likely to change. This may result in alterations to the size or grade of the resource, to the development and mining plans which may, in turn, adversely affect the Merged Entity's operations.

Environmental Risks

The mining operations and proposed activities of the Merged Entity in Australia are subject to Australian laws while those operations and activities in Brazil are subject to Brazilian laws and regulations, concerning the environment. As with most exploration projects and mining operations, the Merged Entity's activities are expected to have an impact on the environment, particularly if advanced exploration or commencement of mining proceeds. It is the Merged Entity's intention to conduct its activities to the appropriate standard of environmental obligation, including compliance with all environmental laws.

Forward Looking Information

Certain information in this Bidder's Statement constitutes forward-looking information that is subject to risks and uncertainties and a number of assumptions, which may cause the actual expenditure of the Merged Entity to be different from the expectations expressed or implied in this Bidder's Statement.

9.3 General Securities Risk Factors**Taxation**

The acquisition and disposal of securities will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Glengarry are urged to obtain independent financial advice about the consequences of acquiring securities from a taxation viewpoint and generally.

To the maximum extent permitted by law, Glengarry, its officers and each of their respective advisors accept no liability and responsibility with respect to the taxation consequences of subscribing for securities under this Bidder's Statement.

9.4 Risks Relating to the Takeover Offer**Issue of Glengarry Securities as Consideration**

Centaurus Shareholders and Centaurus Optionholders are being offered specific quantities of Glengarry Shares and Glengarry Options (as the case may be) as consideration under the Offers. As a result, the value of the consideration will fluctuate depending upon the market value of Glengarry Shares. Accordingly, the market value of the Glengarry Shares at the time you receive them may vary significantly from their market value on the date of your acceptance of the Offer.

Rollover Relief

A condition of the Offers is that the level of acceptance must result in Glengarry obtaining a relevant interest in at least 90% of all Centaurus Shares. Glengarry reserves the right to waive this condition but requires the consent of Centaurus to do so.

If the minimum acceptance condition is varied or reduced below 80%, Glengarry may not acquire the number of Centaurus Shares sufficient to bring its total interest in Centaurus to at least 80% of the voting shares, in which case scrip-for-scrip CGT rollover relief will not be available to holders of Centaurus Shares.

Sale of Glengarry Shares

Under the Share Offer, Glengarry will issue a significant number of new Glengarry Shares. Some Centaurus Shareholders may not intend to continue to hold their Glengarry Shares and may wish to sell them. There is a risk that this may adversely impact on the price of and demand for Glengarry Shares.

Acquisition of less than 90% of Centaurus Shares

It is possible that Glengarry could acquire less than 90% of all of the Centaurus securities on issue under the Share Offer and Option Offer, which would prevent Glengarry compulsorily acquiring all remaining Centaurus securities. The existence of a minority interest in Centaurus may have an impact on the operations of the Merged Entity, although this impact will depend upon the ultimate level of Centaurus ownership acquired by Glengarry.

Merger Integration

Integrating Glengarry and Centaurus may produce some risks, including the integration of management, information systems and work practices. Furthermore, there is no guarantee that any synergy benefits or costs savings will be achieved on time or at all.

Due Diligence

In preparing the information relating to Centaurus contained in this Bidder's Statement, Glengarry has relied on publicly available information relating to Centaurus and information provided to Glengarry as part of its due diligence. Risks may exist in relation to Centaurus (which will affect the merged entity) of which Glengarry is unaware. If any material risks are known to the Centaurus Directors, they must be disclosed in the target's statement to be issued by Centaurus.

10. OTHER INFORMATION

10.1 Glengarry's Interest in Centaurus

Immediately before this Bidder's Statement was lodged with the ASIC and as at the date immediately before the first Offer is sent, Glengarry and its associates had the following relevant interest in, and voting power in relation to, Centaurus securities:

| Class of Securities | At date of this Bidder's Statement | At date first Offer is Sent |
|-------------------------|------------------------------------|-----------------------------|
| Centaurus Shares | 19% ¹ | 19% |
| Centaurus Bid Options | Nil | Nil |
| Centaurus Other Options | Nil | Nil |

Notes:

1. Glengarry's relevant interest arises under its Pre-bid Acceptance Agreements.

10.2 Acquisitions of Centaurus Securities by Glengarry and its Associates during the last 4 Months

Glengarry and its associates have not made any acquisitions or disposals of Centaurus Shares or Centaurus Bid Options in the 4 months prior to the date of this Bidder's Statement.

10.3 Collateral Benefits

During the period of 4 months before the date of this Bidder's Statement, neither Glengarry nor any associate of Glengarry gave, or offered to give or agreed to give, a benefit to another person that was likely to induce the other person, or an associate of that person, to:

- (a) accept the Offers; or
- (b) dispose of their Centaurus Shares or Centaurus Bid Options,

and which is not offered to all holders of Centaurus Shares under the Share Offer or all holders of Centaurus Bid Options under the Option Offer.

10.4 Glengarry is a Disclosing Entity

Due to the fact that Glengarry is offering Glengarry Shares as consideration for the acquisition of Centaurus Shares under the Share Offer and Glengarry Options as consideration for the acquisition of Centaurus Bid Options under the Option Offer, the Corporations Act requires that this Bidder's Statement must include all information that would be required for a prospectus for an offer of Glengarry Shares and Glengarry Options under Sections 710 to 713 of the Corporations Act.

Glengarry is a "disclosing entity" (as defined in Section 111AC of the Corporations Act) for the purposes of Section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all companies, Glengarry is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of Glengarry's securities.

Glengarry Shares have been quoted on the official list of ASX during the 3 months prior to the date of this Bidder's Statement, and the Glengarry Options to be issued are options to acquire Glengarry Shares. For this reason, Glengarry is only required to disclose information in this Bidder's Statement that would usually be required in a "transaction specific prospectus".

In general terms "transaction specific prospectuses" are only required to contain information in relation to the effect of the issues of securities on Glengarry and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets

and liabilities, financial position, profits and losses or prospects of the issuing company unless such information has not previously been disclosed to ASX.

Having taken such precautions and having made such enquiries as are reasonable, Glengarry believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 12 months before the issue of this Bidder's Statement which required Glengarry to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Bidder's Statement, other than that which is considered necessary to make this Bidder's Statement complete.

Glengarry, as a disclosing entity under the Corporations Act, states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to Glengarry (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Bidder's Statement and the Closing Date:
 - (i) the annual financial report most recently lodged by Glengarry with the ASIC;
 - (ii) any half year financial report lodged with the ASIC by Glengarry after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Bidder's Statement with the ASIC; and
 - (iii) any documents used to notify ASX of information relating to Glengarry during that period in accordance with the Listing Rules as referred to in Section 674(1) of the Corporations Act.

Copies of all documents lodged with the ASIC in relation to Glengarry can be inspected at the registered office of Glengarry during normal office hours.

For details of documents lodged with ASX since the date of lodgement of Glengarry's latest annual financial report refer to Annexure C of this Bidder's Statement.

10.5 Information about Glengarry Shares

The Glengarry Shares to be issued pursuant to the Share Offer will, from their date of issue, rank equally in all respects with existing Glengarry Shares on issue. The rights attaching to the Glengarry Shares arise from a combination of Glengarry's Constitution, statute and general law. A summary of the rights attaching to the Glengarry Shares is set out below:

(a) General Meetings

Glengarry Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Glengarry.

Except as required by the Corporations Act, Glengarry Shareholders are not entitled to convene, or require the Directors to convene, a general meeting.

(b) Voting Rights

Subject to any rights or restrictions for the time being attached to any class or classes of Glengarry Shares, at general meetings of Glengarry Shareholders or classes of Glengarry Shareholders:

- (i) each Glengarry Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, each Glengarry Shareholder or a proxy, attorney or representative of a Glengarry Shareholder has one vote; and
- (iii) where a Glengarry Shareholder appoints two proxies or attorneys to vote in respect of Glengarry Shares held by the Glengarry Shareholder and both are in attendance:
 - A. on a show of hands, only the first person named in the instrument appoint the proxies or attorneys or, if they are named in separate instruments, the person whose name is earlier in alphabetical sequence, may vote; and
 - B. on a poll, each proxy or attorney may only exercise votes in respect of those share for which the proxy or attorney has been validly appointed proxy or attorney or if the instrument appointing the proxies or attorneys does not specify the proportion or number of the Glengarry Shareholder's votes each proxy or attorney may exercise, each proxy or attorney may exercise half of the Glengarry Shareholder's votes. Any fractions of votes are to be disregarded.

(c) Dividend Rights

The Directors may from time to time determine that a dividend is payable to Glengarry Shareholders entitled and may fix the amount and time for payment of any dividend. No dividend may be paid otherwise than out of profits nor bear interest against the Glengarry.

Subject to the rights of persons (if any) entitled to Glengarry Shares with special rights as to dividends, all dividends shall be paid to Glengarry Shareholders according to the amounts paid (not credited) on the Glengarry Shares as a proportion of the total amount paid and payable (excluding amounts credited) on the Glengarry Shares. In relation to partly paid Glengarry Shares, all dividends shall be apportioned and paid proportionately to the amounts paid (not credited) on the Glengarry Shares during any portion or portions of the period in respect of which the dividend is paid.

The Directors may from time to time grant to Glengarry Shareholders or any class of Glengarry Shareholders or to the holders of any convertible notes, debentures or unsecured notes of Glengarry the right upon such terms and conditions as the Directors may determine to elect to receive Glengarry Shares in lieu of dividends or to re-invest all or part of the dividends, interest or any other moneys (as the case may be) paid by Glengarry in respect of such holdings.

(d) Winding-Up

If Glengarry is wound up, the liquidator may, with the authority of a special resolution, divide among the Glengarry Shareholders in kind the whole or any part of the property of Glengarry, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Glengarry Shareholders or different classes of Glengarry Shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of

the contributories as the liquidator thinks fit, but so that no Glengarry Shareholder is compelled to accept any Glengarry Shares or other securities in respect of which there is any liability.

(e) Transfer of Glengarry Shares

Generally, Glengarry Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the Listing Rules.

(f) Future Increase in Capital

Glengarry may, by general resolution of Glengarry Shareholders, alter its capital in any manner permitted by law.

(g) Variation of Rights

Under Section 246B of the Corporations Act, Glengarry may, with the sanction of a special resolution passed at a meeting of Glengarry Shareholders, vary or abrogate the rights attaching to Glengarry Shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not Glengarry is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

10.6 Terms and Conditions of Glengarry Options

The terms and conditions of the various classes of Glengarry Options to be offered under the Option Offer are set out in Annexures E and F.

10.7 Risk Factors

Centaurus Shareholders and Centaurus Optionholders should read this Bidder's Statement carefully and consult their professional advisers before deciding whether to accept the Share Offer or the Option Offer.

The principal risk factors associated with Glengarry's existing business and acceptance of the Share Offer and the Option Offer are set out in Section 9.

10.8 Disclosure of Interests / Fees and Benefits payable to Directors and Advisers

Other than as set out below or elsewhere in this Bidder's Statement, no:

- (a) Director or proposed Director;
- (b) person named in this Bidder's Statement as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Bidder's Statement;
- (c) promoter of Glengarry; or
- (d) broker or underwriter in relation to the issue of Glengarry Shares pursuant to the offers,

has, or had within 2 years before the date of this Bidder's Statement, any interest in:

- (i) the formation or promotion of Glengarry;
- (ii) any property acquired or proposed to be acquired by Glengarry in connection with its formation or promotion or in connection with the offer of Glengarry Shares under the Share Offer; or
- (iii) the issue of Glengarry Shares or Glengarry Options under this Bidder's Statement,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of those persons as an inducement to become, or to qualify as, a Director or expert of Glengarry or otherwise for services rendered by him in connection with the formation or promotion of Glengarry or the issue of Glengarry Shares or Glengarry Options under this Bidder's Statement.

10.9 Disclosure of Interests

The Directors have the following interests in Glengarry securities and Centaurus securities (either held directly, held by entities controlled by them or held by entities of which they are directors) as at the date of this Bidder's Statement.

| Director | Glengarry Shares | Glengarry Options | Centaurus Shares | Centaurus Bid Options | Centaurus Other Options |
|--------------|------------------|-------------------|------------------|-----------------------|-------------------------|
| K G McKay | 2,419,000 | 2,000,000 | - | - | - |
| D P Gordon | 44,000,000 | 4,000,000 | 921,667 | 200,000 | 500,000* |
| G T Clifford | 1,000,000 | 1,500,000 | - | - | - |
| D M Murcia | 8,040,566 | 1,500,000 | 166,667 | - | - |

*It is proposed that these Centaurus Other Options will be cancelled without replacement by Glengarry Options.

10.10 Fees and Benefits

The Constitution of Glengarry provides that the Directors may be paid for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by Glengarry in general meeting, to be divided among the Directors and in default of agreement then in equal shares.

In the last two financial years, \$553,342 in 2008 and \$862,273 in 2009 has been paid by Glengarry by way of remuneration for services provided by the Directors, companies associated with the Directors or their associates in their capacity as Directors, as set out below.

| Director Remuneration | 2008 (\$) | 2009 (\$) | 2010 (YTD) \$ |
|-------------------------|----------------|----------------|----------------|
| K G McKay | 151,138 | 125,011 | 66,271 |
| D R Richards | 277,916 | 534,180 | - |
| W F Manning | 121,138 | 94,862 | - |
| D P Gordon ¹ | 3,150 | 35,000 | 162,045 |
| G T Clifford | - | 61,996 | 42,606 |
| D M Murcia ² | - | 11,224 | 48,263 |
| TOTAL | 553,342 | 862,273 | 319,185 |

Notes:

1. D P Gordon – resigned as a non-executive Director on 23 July 2007. He was reappointed to the Board as a non-executive Director on 16 April 2009 and as Managing Director on 4 May 2009.
2. D M Murcia – appointed as non-executive Director on 16 April 2009.

The remuneration amounts included in the table above includes the assessed fair value at grant date of Glengarry Options granted using a Black-Scholes option pricing model.

Glengarry estimates it will incur fees for services provided in connection with the Offer, including for legal, taxation and financial advisers, in the amount of approximately \$800,000.

10.11 Consents

In accordance with section 636(3) of the Corporations Act:

- (a) Blakiston & Crabb has consented to being named as legal adviser to Glengarry in this Bidder's Statement and has not withdrawn its consent prior to lodgement of this Bidder's Statement with the ASIC;
- (b) Advanced Share Registry Limited has consented to being named as the share registry to Glengarry in this Bidder's Statement and has not withdrawn its consent prior to the lodgement of this Bidder's Statement with ASIC; and
- (c) KPMG has consented to being named as the auditor to Glengarry in the Corporate Directory section of this Bidder's Statement in the form and context in which it is so named, and consents to the references to the audited income statement for the year ended 30 June 2009 and the audited balance sheet as at 30 June 2009 in section 4.3 of the Bidder's Statement as having been audited, and has not withdrawn its consent prior to the lodgement of this Bidder's Statement with the ASIC.

This Bidder's Statement includes statements which are made in, or based on statements made in, documents lodged with ASIC or given to the ASX. Under the terms of ASIC Class Order 01/1543, the parties making those statements are not required to consent to, and have not consented to, inclusion of those statements in this Bidder's Statement. If you would like to receive a copy of any of those documents, or the relevant parts of the documents containing the statements (free of charge), during the Bid Period, please contact Glengarry on +61 8 9322 4929.

As permitted by ASIC Class Order 03/635, this Bidder's Statement may include or be accompanied by certain statements fairly representing a statement by an official person or from a public official document or a published book, journal or comparable publication.

In addition, as permitted by ASIC Class Order 07/429, this Bidder's Statement contains ASX share price trading information sourced from IRESS Market Technology Limited without its consent.

10.12 Funding of Offers

The total amount of cash that Glengarry may become obliged to pay to satisfy all expenses incurred by Glengarry and relating to the Offers will be provided from Glengarry's existing cash balances and financing facilities.

10.13 Material Litigation

The Company or its Subsidiaries currently have no material disputes.

10.14 ASIC Relief

Glengarry has obtained from ASIC certain modifications of the application of the Corporations Act. These are set out in Annexure G to this Bidder's Statement. The effect of the modifications is to allow:

- (a) the Company to treat the different classes of unlisted Centaurus Bid Options as one class of options for the purpose of the Option Offer;

- (b) the Option Offer to offer a different consideration for each class of Centaurus Bid Option;
- (c) the Company to compulsorily acquire any Centaurus Bid Options and Centaurus Other Options that are not otherwise transferable; and
- (d) the trading within 12 months of any Glengarry Shares issued upon exercise of the Glengarry Options issued pursuant to the Option Offer.

Without the ASIC modification referred to in Section 10.14(d), holders of the Glengarry Shares issued upon exercise of the Glengarry Options would not be able to trade such Glengarry Shares within 12 months of their issue.

10.15 ASX approval

Centaurus has applied for ASX approval to vary the terms of the Centaurus Bid Options to enable the transfer to Glengarry of the Centaurus Bid Options held by the Centaurus Optionholders who accept the Option Offer, as some of the Centaurus Bid Options are not otherwise transferable.

10.16 Foreign Centaurus Shareholders

Glengarry will appoint an ASIC approved nominee ("**Sale Nominee**") for Foreign Centaurus Shareholders who accept the Share Offer in accordance with Section 619(3) of the Corporations Act. If you are a Foreign Centaurus Shareholder who accepts the Share Offer, then despite any other provision of the Share Offer, you will receive for your Glengarry Shares a cash amount calculated under Section 1.8 of Annexure A.

For the purpose of this Bidder's Statement, you are **not** a Foreign Centaurus Shareholder if:

- (a) your address as recorded in the Centaurus register is within Australia or its external Territories, New Zealand or Singapore; or
- (b) you appoint an agent in Australia to receive and accept the Share Offer on your behalf.

Also, a person will not be a Foreign Centaurus Shareholder if Glengarry is satisfied, acting reasonably, that the laws of the country of residence of that Centaurus Shareholder (as shown in the Centaurus register) permit the issue and allotment of Glengarry Shares either unconditionally or after compliance with conditions which Glengarry in its sole discretion regards as acceptable. Notwithstanding anything else in this Bidder's Statement, Glengarry is not under any obligation to spend any money, or undertake any action, in order to satisfy itself concerning any of these matters.

10.17 Implementation Agreement

The Implementation Agreement contains the following key terms (amongst others summarised elsewhere in this Bidder's Statement).

- (a) **Recommended Bid:** The Centaurus Directors have agreed to recommend the Offers subject to their duties as Centaurus Directors and there being no Superior Proposal recommended by the Centaurus Board.
- (b) **Minimum Acceptance Condition:** Glengarry requires the prior consent of Centaurus to waive the condition to the Offers that Glengarry acquires a relevant interest of more than 90% of all Centaurus Shares and Centaurus Bid Options.
- (c) **Exclusivity Arrangements:** Until the earlier of the end of the Offer Period and the termination of the Implementation Agreement, Centaurus has agreed to comply with

certain restrictions commonly referred to as no shop, no talk and no due diligence provisions, subject to carve outs in relation to directors' duties.

- (d) **Centaurus Break Fee:** Centaurus has agreed to pay Glengarry a break fee of 1% of Glengarry's market capitalisation on the last trading date prior to the Announcement Date (\$148,722) in the event:
- (i) a Competing Proposal has been announced or is open for acceptance; and
 - A. a person acquires an interest in all or a substantial part of the assets of Centaurus or its Subsidiaries or a relevant interest in more than 50% of the Centaurus Shares under that Competing Proposal; and
 - B. in the case of a Competing Proposal that is a takeover bid made under Chapter 6 of the Corporations Act, the Competing Proposal becomes free from all defeating conditions either before or after the end of the offer period under the Competing Proposal;
 - (ii) all of the Centaurus Directors who deem themselves capable of making a recommendation in relation to the Takeover Bid do not recommend the Takeover Bid or any one or more Centaurus Directors withdraws an earlier recommendation or recommends a Competing Proposal (or announces an intention to do any of the foregoing) other than as a result of a breach of the Implementation Agreement by Glengarry;
 - (iii) Centaurus or any of the Centaurus Directors knowingly does (or knowingly omits to do) anything (whether or not it may be permitted by the terms of the Implementation Agreement) which results in any of the conditions of the Takeover Bid being breached and Glengarry does not declare the Takeover Bid free of the breached condition (which Glengarry is under no obligation to do); or
 - (iv) there is a breach of the exclusivity arrangements referred to in Section 10.17(a).

Centaurus shall not be obliged to pay the break fee if at any time during the Offer Period the amount of Glengarry's total cash reserves less the amount payable by Glengarry in respect of its costs and expenses of the Offer are less than \$7.5 million.

- (e) **Glengarry Break Fee:** Glengarry has agreed to pay Centaurus a break fee of 1% of Centaurus' market capitalisation on the last trading date prior to the Announcement Date (\$134,642) in the event:
- (i) Glengarry does not proceed with the Takeover Bid where there has not been a Material Adverse Charge; or
 - (ii) Centaurus terminates the Implementation Agreement due to a material default by Glengarry that is not cured within 5 Business Days of notice from Centaurus or if Glengarry withdraws an Offer for any reason; or
 - (iii) Glengarry or any of the Directors knowingly does (or knowingly omits to do) anything (whether or not it may be permitted by the terms of the Implementation Agreement) which results in any of the conditions of the Takeover Bid being breached and Glengarry does not declare the Takeover Bid free of the breached condition (which Glengarry is under no obligation to do).

10.18 Pre-bid Acceptance Agreements

Under the Pre-bid Acceptance Agreements, the contracting parties have agreed to irrevocably accept the Share Offer in respect of that number of Centaurus Shares that, as at the date of the Pre-bid Acceptance Agreement represents, to the nearest whole number, 19% of all issued Centaurus Shares.

10.19 Competent Person Statements

The information in this Bidder's Statement that relates to mineral exploration at the Citadel Project is based on information compiled by Keith McKay who is a member of the Australasian Institute of Mining and Metallurgy Inc. Keith McKay is a Glengarry Director. Keith McKay has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Keith McKay consents to the inclusion in this Bidder's Statement of the matters based on their information in the form and context in which it appears.

The information in this Bidder's Statement that relates to Exploration Results and Mineral Resources of Centaurus' Itambé and Passabem Iron Ore Projects is based on information compiled by Ian Cullen and Klaus Petersen, who are both members of the Australasian Institute of Mining and Metallurgy Inc. Ian Cullen and Klaus Petersen are full time employees of Centaurus. Ian Cullen and Klaus Petersen have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves. Ian Cullen and Klaus Petersen consent to the inclusion in this Bidder's Statement of the matters based on their information in the form and context in which it appears.

10.20 Other Material Information

There is no other information material to the making of a decision by a holder of Centaurus Shares or Centaurus Bid Options whether or not to accept the Offers being information that is known to Glengarry and which has not previously been disclosed to holders of Centaurus securities other than as is contained elsewhere in this Bidder's Statement.

10.21 Date for Determining Holders

For the purposes of Section 633(2) of the Corporations Act, the date for determining the people to whom information is to be sent under Items 6 and 12 of Section 633(1) of the Corporations Act is 5pm (WST) 3 December 2009.

This Bidder's Statement is dated 3 December 2009 and was approved pursuant to a unanimous resolution passed at a meeting of the directors of Glengarry.

Signed for and on behalf of
Glengarry Resources Limited



Keith G McKay
Chairman

11. DEFINITIONS AND INTERPRETATION

11.1 Definitions

In this Bidder's Statement (including its annexures), unless the context otherwise requires:

"Acceptance Form" means the Share Acceptance Form or the Option Acceptance Form (or both of them), as the context requires.

"Announcement Date" means 11 November 2009.

"ASIC" mean the Australian Securities and Investments Commission.

"ASX" means ASX Limited (ACN 008 624 691) or the financial market known as the Australian Securities Exchange operated by ASX Limited, as the context requires.

"ASTC" mean the ASX Settlement & Transfer Corporation.

"ASTC Settlement Rules" mean the operating rules of the settlement facility provided by ASTC.

"Bid Period" has the meaning given to that term in the Corporations Act.

"Bidder's Statement" means this document including the Annexures.

"Business Day" means a day that is not a Saturday, Sunday or any other day which is a public holiday or a bank holiday in Western Australia.

"Centaurus" means Centaurus Resources Limited (ABN 93 120 281 969).

"Centaurus Bid Option" means an option to subscribe for a Centaurus Share on the terms summarised in Annexure E.

"Centaurus Board" means the board of directors of Centaurus.

"Centaurus Director" means a director of Centaurus.

"Centaurus Due Diligence Material" means the information relating to the Centaurus Group contained in Centaurus' responses to Glengarry's due diligence questionnaires.

"Centaurus Group" means Centaurus and its Subsidiaries.

"Centaurus Optionholder" means a holder of a Centaurus Bid Option.

"Centaurus Other Options" means options which Centaurus has granted which do not include the Centaurus Bid Options.

"Centaurus Share" means a fully paid ordinary share in Centaurus, and all Rights attaching to that share.

"Centaurus Shareholder" means a holder of Centaurus Shares.

"CHESS" means the Clearing House Electronic Sub register System.

"CHESS Holding" means a holding that is sponsored by CHESS.

"Competing Proposal" means a proposal pursuant to which a person (other than Glengarry or another entity in the Glengarry Group) would, if the proposal were implemented:

- (a) directly or indirectly, acquire an interest, a relevant interest in or become the holder of:
 - (i) more than 20% of the Centaurus Shares; or
 - (ii) the whole or a substantial part or a material part of the business or property of Centaurus;
- (b) acquire control of Centaurus, within the meaning of section 50AA of the Corporations Act; or
- (c) otherwise acquire or merge with Centaurus (including by way of a scheme of arrangement, reverse takeover bid or dual listed companies structure).

"Controlling Participant" has the meaning given in the ASTC Settlement Rules. Usually your Controlling Participant is a person, such as a broker, with whom you have a sponsorship agreement (within the meaning of the ASTC Settlement Rules).

"Corporations Act" means the Corporation Act 2001 (Cth).

"Director" means a director of Glengarry.

"Fe" means iron.

"Foreign Centaurus Shareholder" means any Centaurus Shareholder whose address, as entered in the register of members of Centaurus, is outside of Australia (and its external Territories), and New Zealand or Singapore but does not include any Centaurus Shareholder that may appoint an agent in Australia or New Zealand to receive and accept the Share Offer on their behalf. Also, a person will not be a Foreign Centaurus Shareholder if Glengarry is satisfied, acting reasonably, that the laws of the country of residence of that Centaurus Shareholder (as shown in the Centaurus register) permit the issue and allotment of Glengarry Shares either unconditionally or after compliance with conditions which Glengarry in its sole discretion regards as acceptable.

"Foreign Law" means a law of a jurisdiction other than Australia.

"Glengarry" or **"the Company"** means Glengarry Resources Limited (ABN 40 009 468 099).

"Glengarry Board" means the board of directors of Glengarry.

"Glengarry Group" means Glengarry and its Subsidiaries.

"Glengarry Option" means an option to acquire a Glengarry Share with the terms set out in Section 10.6.

"Glengarry Share" means a fully paid ordinary share in Glengarry.

"Glengarry Shareholder" means a holder of a Glengarry Share.

"Government Agency" means any government or representative of a government or any governmental, semi-governmental, administrative, fiscal, regulatory or judicial body, department, commission, authority, tribunal, agency, competition authority or entity whether foreign, federal, state, territorial or local in any part of the world in which a party is domiciled or holds any of its assets. It includes ASIC and ASX (and any other stock exchange).

"Group" in respect of a party, means that party and each of its Subsidiaries.

"Implementation Agreement" means the agreement dated 10 November 2009 between Glengarry and Centaurus.

"Issuer Sponsored Holding" means a holding of Centaurus Shares on Centaurus' Issuer sponsored sub-register.

"JORC Code" means the Australian Code for Reporting of Mineral Resources and Ore Reserves prepared by the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, the Australian Institute of Geoscientists and the Minerals Council of Australia, as amended or replaced from time to time.

"Listing Rules" means the Official Listing Rules of ASX, as amended from time to time.

"Material Adverse Change" means any event, change or condition that has, or could reasonably be expected to have, a material adverse effect on:

- (a) the business, assets, liabilities, financial or trading position, profitability or prospects of the Centaurus Group or the Glengarry Group (as the context requires), taken as a whole, since 30 June 2009 by an amount of \$1,000,000 or more;
- (b) in the case of Centaurus, the status or terms of the exploration or mining tenements, approvals, licences or permits from a Department or Government Agency, taken as a whole, applicable to either of the Centaurus Group's Itambé or Passabem projects;
- (c) in the case of Centaurus, the ability of Centaurus or its Subsidiaries to develop either of the Centaurus Group's Itambé or Passabem projects and to sell iron ore obtained from those projects to the Brazilian domestic steel industry in the manner described in the public announcements made by Centaurus prior to the Announcement Date; or
- (d) except for events, changes and conditions fairly disclosed in the due diligence material provided to Glengarry by Centaurus or publicly announced by Centaurus or Glengarry (as the context requires) or otherwise disclosed in public filings in Australia by Centaurus or Glengarry or any of their Subsidiaries (as the context requires) prior to the Announcement Date provided that the relevant announcement or disclosure is not, and is not likely to be, incomplete, incorrect, untrue or misleading.

"Merged Entity" means Glengarry and its Subsidiaries following the acquisition by Glengarry of all, or a majority of, the Centaurus Shares.

"Mtpa" means millions of tonnes per annum.

"Offer Period" means the Share Offer Period or the Option Offer Period (or both of them), as the context requires.

"Offer" or **"Offers"** means the Share Offer or the Option Offer (or both of them), as the context requires.

"Official List" means official quotation on ASX.

"Option Acceptance Form" means the form of acceptance form the Option Offer enclosed with this Bidder's Statement or alternatively any acceptance form sent to a Centaurus Bid Option holder by Glengarry's share registry in relation to the Option Offer.

"Option Bid" means an off-market takeover bid to be made by Glengarry for all Centaurus Bid Options under Chapter 6 of the Corporations Act.

"Option Offer" or **"Option Offers"** means the offers, and each of them, to be made by Glengarry to acquire Centaurus Bid Options on the terms set out in Annexure B.

"Option Offer Period" means the period referred to in Section 1.2 of Annexure B, during which the Option Offer remains open for acceptance.

"Pre-bid Acceptance Agreements" means the pre-bid acceptance agreements between Glengarry and each of Matzo consulting Pty Ltd, Mr David Michael Fong, Mr David Ward, Egg Au Pty Ltd, Jason Entwistle, Avanteos Investments Limited, Mr Klaus Juergen Peterson, Mr Matthew Glenn Sikirich, Smiff Pty Ltd, Mr Robin Scrimgeour, Mr Steffen Gerd Hagemann, Mr Steve William Woodham, Mrs Elizabeth Mary Woodham, Mr Terry Charles Schell, Mr Darren Glover and Mr Paul Anthony Quarrell.

"Prescribed Occurrence" means the occurrence of any of the following events (other than as required to be undertaken or procured by the Centaurus Group pursuant to the Implementation Agreement):

- (a) Centaurus converts all or any of its shares into a larger or smaller number of shares under section 254H of the Corporations Act;
- (b) Centaurus or a Subsidiary of Centaurus resolves to reduce its share capital in any way;
- (c) Centaurus or a Subsidiary of Centaurus enters into a buy-back agreement or resolves to approve the terms of a buy-back agreement under section 257C(1) or 257D(1) of the Corporations Act;
- (d) Centaurus or a Subsidiary of Centaurus issues shares (other than as a result of the exercise of Centaurus Bid Options or Centaurus Other Options) or grants an option over its shares, or agrees to make such an issue or grant such an option, other than the grant of 2,000,000 Centaurus Other Options to Mr Peter Freund on the terms set out in Centaurus' notice of annual general meeting and explanatory memorandum for the annual general meeting called for 30 November 2009, provided that such Centaurus Other Options do not vest by reason of the announcement or conduct of the Takeover Bid;
- (e) Centaurus or a Subsidiary of Centaurus issues, or agrees to issue, convertible notes;
- (f) Centaurus or a Subsidiary of Centaurus disposes, or agrees to dispose, of the whole, or a substantial part, of its business or property;
- (g) Centaurus or a Subsidiary of Centaurus charges, or agrees to charge, the whole, or a substantial part, of its business or property;
- (h) Centaurus or a Subsidiary of Centaurus resolves to be wound up;
- (i) a liquidator or provisional liquidator of Centaurus or of a Subsidiary of Centaurus is appointed;
- (j) a court makes an order for the winding up of Centaurus or of a Subsidiary of Centaurus;
- (k) an administrator of Centaurus or of a Subsidiary of Centaurus is appointed under sections 436A, 436B or 436C of the Corporations Act;
- (l) Centaurus or a Subsidiary of Centaurus executes a deed of company arrangement;
or
- (m) a receiver, or a receiver and manager, is appointed in relation to the whole, or a substantial part, of the property of Centaurus or a Subsidiary of Centaurus.

"Record Date" means the date set by Glengarry under section 633(2) of the Corporations Act, being 5pm (WST) on 3 December 2009.

"Relevant Interest" has the meaning given in Section 9 of the Corporations Act.

"Rights" means all accretions to and rights attaching to the relevant Centaurus Share at or after the date of this Bidder's Statement (including, but not limited to, all dividends and all rights to receive dividends and to receive or subscribe for shares, stock units, notes or option declared, paid, or issued by Centaurus).

"Sale Nominee" has the meaning given in Section 1.8 of Annexure A to this Bidder's Statement.

"Share Acceptance Form" means the form of acceptance for the Share Offer enclosed with this Bidder's Statement or alternatively any acceptance form sent to a Centaurus Shareholder by Glengarry's share registry in relation to the Share Offer.

"Share Offer" or **"Share Offers"** means the offers, and each of them, to be made by Glengarry to acquire Centaurus Shares on the terms set out in Annexure A.

"Share Offer Period" means the period referred to in Section 1.3 of Annexure A, during which the Share Offer remains open for acceptance.

"Subsidiary" means a subsidiary within the meaning given to that term in Section 9 of the Corporations Act.

"Superior Proposal" means a bona fide Competing Proposal which the Centaurus Directors have determined, in good faith after consultation with their external legal and financial advisors, is likely to be:

- (a) reasonably capable of being valued, taking into account all aspects of the Competing Proposal and the person making it;
- (b) reasonably capable of being completed on a timely basis and is no more conditional than the Share Offer as at the time of announcement of the Share Offer; and
- (c) is more favourable to Centaurus Shareholders than the Share Offer, taking into account all the terms and conditions of the Competing Proposal.

"Takeover" means the proposed takeover of Centaurus by Glengarry by way of an off-market conditional takeover offer.

"Takeover Bid" means Glengarry's takeover bid for Centaurus by making the Offers.

"VWAP" means volume weighted average price.

"WST" means Perth (Western Australian) Standard Time.

"\$" means Australian dollars.

11.2 Interpretation

The following rules of interpretation apply unless intention appears or the context requires otherwise:

- (a) a reference to a time is a reference to Perth (Western Australian) time;
- (b) headings are for convenience only and do not affect interpretation;
- (c) the singular includes the plural and conversely;
- (d) a reference to a section is to a section of this Bidder's Statement;

- (e) a gender includes all genders;
- (f) where a word or phrase is defined, the other grammatical forms have a corresponding meaning;
- (g) a reference to a person includes a body corporate, an unincorporated body or other entity and conversely;
- (h) a reference to a person includes a reference to the person's executors, administrators, successors, substitutes (including persons taking by novation) and assigns;
- (i) a reference to any legislation or to any provision of any legislation includes any modification or re-enactment of it, any legislative provision substituted for it and all regulations and statutory instruments issued under it;
- (j) a reference to any instrument or document includes any variation or replacement of it;
- (k) a term not specifically defined in this Bidder's Statement has the meaning given to it (if any) in the Corporations Act or the ASTC Rules, as the case may be;
- (l) a reference to a right or obligation of any two or more persons confers that right, or imposes that obligation, as the case may be, jointly and individually;
- (m) a reference to you is to a person to whom an Offer is made; and
- (n) the words 'include', 'including', 'for example' or 'such as' are not used as, nor are they to be interpreted as, words of limitation, and, when introducing an example, do not limit the meaning of the words to which the example relates to that example or examples of a similar kind.

ANNEXURE A

TERMS OF SHARE OFFER

1.1 General Terms

- (a) Glengarry offers to acquire all of your Centaurus Shares, together with all Rights attached to them, on the terms and conditions set out in this Share Offer.
- (b) The consideration being offered by Glengarry for the acquisition of all of your Centaurus Shares is 8 Glengarry Shares for each Centaurus Share you own, subject to the terms and conditions set out in this Share Offer.
- (c) If you are a Foreign Centaurus Shareholder then, despite any other provision of this Share Offer, you are offered and will receive for your Centaurus Shares a cash amount calculated under Section 1.8 of this Annexure A.
- (d) The Glengarry Shares to be issued pursuant to this Share Offer will, from their date of issue, rank equally in all respects with existing Glengarry Shares currently on issue.
- (e) The rights and obligations for the Glengarry Shares are set out in Section 10.5 of this Bidder's Statement.

1.2 Official Quotation

Glengarry will apply for official quotation of the Glengarry Shares on ASX. Quotation will not be automatic but will depend on ASX exercising its discretion. Glengarry has already been admitted to the Official List of ASX and the Glengarry Shares to be issued under the Share Offer are of the same class as Glengarry Shares already quoted on ASX. Glengarry cannot guarantee, and does not represent or imply, that Glengarry Shares will be listed on the ASX following their issue.

1.3 Share Offer Period

Unless withdrawn, this Share Offer will remain open for acceptance during the period commencing on the date of this Share Offer and ending at 5:00pm (WST) on 15 January 2010, subject to any extension in accordance with the Corporations Act.

1.4 Who May Accept

- (a) A Share Offer in this form and bearing the same date is being made to each person registered as a holder of Centaurus Shares on Centaurus' register of members as at the Record Date.
- (b) The Share Offer also extends to each person who, during the period from the Record Date until the expiry of the Share Offer Period, becomes registered or entitled to be registered as a holder of Centaurus Shares due to the conversion of, or exercise of rights attached to, Centaurus options that are on issue at the Record Date.
- (c) A person who:
 - (i) is able during the Share Offer Period to give good title to a parcel of Centaurus Shares; and
 - (ii) has not already accepted this Share Offer which relates to those Centaurus Shares.
- (d) If, at any time during the Share Offer Period and before this Share Offer is accepted, any person holds one or more distinct parcels of Centaurus Shares (for example, as trustee, nominee or otherwise on account of another person) within the meaning of Section 653B of the Corporations Act then:

- (i) this Share Offer is deemed to consist of a separate corresponding Share Offer to that person in relation to each distinct parcel of Centaurus Shares; and
- (iii) acceptance by that person of the Share Offer for any distinct parcel of Centaurus Shares is ineffective unless the person gives written notice to Glengarry stating that the Centaurus Shares consist of distinct portions and the acceptance specifies the number of the Centaurus Shares in each separate parcel to which the acceptance relates.
- (e) This Share Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of the Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Share Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

1.5 How to Accept this Share Offer

- (a) You may only accept this Share Offer in respect of 100% (and not a lesser number) of your Centaurus Shares. For example, if you have 10,000 Centaurus Shares and you wish to accept the Share Offer, you may only accept this Share Offer in respect of 10,000 Centaurus Shares.
- (b) You may only accept this Share Offer during the Share Offer Period.
- (c) The method by which you can accept this Share Offer will depend on whether your Centaurus Shares are in an Issuer Sponsored Holding or a CHESSE Holding. Your Centaurus Shares are in an Issuer Sponsored Holding if they are sponsored directly by Centaurus as issuer. Your Centaurus Shares are in a CHESSE Holding if they are sponsored by a Broker or other CHESSE participant or if you are a Broker or Non-Broker Participant.
- (d) **Issuer Sponsored Holdings:** If your Centaurus Shares are held on Centaurus' issuer sponsored sub-register when you accept (in which case your Securityholder Reference Number is prefixed with an 'I'), you must:
 - (i) complete and sign the Share Acceptance Form in accordance with the instructions on the Share Acceptance Form: and
 - (ii) ensure that the Share Acceptance Form together with all other documents required by the instructions on it are received at the following address before the end of the Share Offer Period:

Mailing Address:
Glengarry Resources Limited
C/- Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Delivery Address:
Glengarry Resources Limited
C/- Advanced Share Registry Limited
150 Stirling Highway
Nedlands WA 6009
- (e) **CHESSE Holdings:** If your Centaurus Shares are in a Chess Holding when you accept this Share Offer (in which case your Holder Identification Number is prefixed with 'X'), you must comply with the ASTC Settlement Rules. Accordingly, to accept this Share Offer in respect of your Centaurus Shares:
 - (i) if you are the Controlling Participant, you must initiate acceptance of this Share Offer in accordance with Rule 14.14 of the ASTC Settlement Rules before the end of the Share Offer Period; or

- (ii) if you are not the Controlling Participant, you may either:
 - A. instruct your Controlling Participant, in accordance with the sponsorship agreement between you and the Controlling Participant, to initiate acceptance of this Share Offer in accordance with Rule 14.14 of the ASTC Settlement Rules so as to be effective before the end of the Share Offer Period. For non-institutional Centaurus Shareholders, your "Controlling Participant" will normally be the stockbroker through whom you either brought your Centaurus Shares or through whom you ordinarily trade shares on ASX; or
 - B. alternatively, you may sign and complete the accompanying Share Acceptance Form in accordance with the terms of this Share Offer and the instructions on the Share Acceptance Form and ensure that it is received (together with all documents require by the terms of this Share Offer) before the expiry of the Share Offer Period at the address specified in Section 1.5(d)(ii) of this Annexure A. In that case, you will be deemed to have authorised Advanced Share Registry Limited to forward your instructions to your Controlling Participant, who will then accept this Share Offer on your behalf during the Share Offer Period in accordance with the ASTC Settlement Rules and the Corporations Act. You must ensure that the Acceptance Form(s) (and the other required documents) are received in sufficient time for Glengarry to request your Controlling Participant to accept, and for your Controlling Participant to carry out your instructions.

CHESS holders should note that acceptance of the Share Offer will not be effected until it is received by their Controlling Participant and processed by them electronically through CHESS.

- (f) Once you have accepted this Share Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to Sections 650E and 650G of the Corporations Act.
- (g) Glengarry may, in its sole discretion, at any time deem any Share Acceptance Form it receives to be a valid acceptance in respect of your Centaurus Shares even if a requirement for acceptance has not been complied with.

1.6 The Effect of Acceptance

- (a) By following the procedures described in Section 1.5 of this Annexure A, you will be deemed to have:
 - (i) accepted this Share Offer (and any variation to it) in respect of the Centaurus Shares registered in your name to which this Share Offer relates, regardless of the number of Centaurus Shares specified in the Share Acceptance Form;
 - (ii) agreed to the terms of the Share Offer and, subject to the conditions contained in Section 1.9 of this Annexure A being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASTC Settlement Rules) to Glengarry all of your Centaurus Shares;
 - (iii) agreed to accept the consideration being offered by Glengarry and agreed to be bound by the Constitution of Glengarry;
 - (iv) authorised Glengarry to complete the Share Acceptance Form by correcting any errors in or omissions from the Share Acceptance Form as many be necessary:
 - A. to make the Share Acceptance Form an effective acceptance of this Share Offer; and/or
 - B. to enable registration of the transfer to Glengarry of your Centaurus Shares;

- (v) irrevocably authorised and directed Centaurus to pay to Glengarry or to account to Glengarry for all dividends and other distributions and entitlements which are declared, paid or which arise or accrue after the date of this Share Offer in respect of your Centaurus Shares (subject to Glengarry accounting to you for any dividends, distributions or entitlements received by it if your acceptance of this Share Offer is validly withdrawn pursuant to Section 650E of the Corporations Act or the contract resulting from that acceptance becomes void);
- (vi) represented and warranted to Glengarry that:
 - A. Glengarry will acquire good title to and beneficial ownership of all of your Centaurus Shares free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
 - B. you have paid Centaurus all amounts which are due in respect of your Centaurus Shares;
 - C. all of your Centaurus Shares are fully paid; and
 - D. you have full power and capacity to accept the Share Offer and to sell and transfer the legal and beneficial ownership of your Centaurus Shares (together with all Rights attached to them) to Glengarry;
- (vii) unless you are a Foreign Centaurus Shareholder (as that expression is defined in Section 11 of this Bidder's Statement), agreed to accept the Glengarry Shares to which you become entitled by accepting this Share Offer subject to Glengarry's Constitution and the terms of issue of the Glengarry Shares and to have authorised Glengarry to place your name on its register of shareholders as the holder of the Glengarry Shares issued to you under the Share Offer;
- (viii) acknowledge and agreed that if you are a Foreign Centaurus Shareholder, Glengarry will arrange for any Glengarry Shares otherwise issuable to you to be issued and sold, and the net proceeds to be remitted to you, as described in Section 1.8 of this Annexure A;
- (ix) represented and warranted to Glengarry that the making by Glengarry to you, and your acceptance, of this Share Offer is lawful under any Foreign Law which applies to you to the making of this Share Offer, and to your acceptance of this Share Offer;
- (x) agreed to indemnify Glengarry fully in respect of any claim, demand, action, suit or proceeding made or brought against Glengarry and any loss, cost, expense, damage or liability whatsoever suffered or incurred by Glengarry as a result of you not producing your HIN or SRN or in consequence of the transfer of your Centaurus Shares to Glengarry being registered by Glengarry with out your HIN or SRN;
- (xi) with effect from the later of acceptance of the Share Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Glengarry and each of its Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Centaurus Shares or in exercise of any right or power derived from the holding of you Centaurus Shares including, without limitation:
 - A. attend and vote in respect of your Centaurus Shares at any and all meetings of Centaurus;
 - B. request or join with other holders of Centaurus Shares in requisitioning and/or convening a meeting of the members of Centaurus;
 - C. demand a poll for any vote to be taken at any meeting of Centaurus Shareholders;

- D. propose or second any resolutions to be considered at any and all meetings of Centaurus Shareholders;
- E. execute all forms, transfers, assignments, notices, instruments (including instruments appointing a Director as a proxy in respect of all or any of your Centaurus Shares and a transfer form for your Centaurus Shares), proxies, consents, agreements, and resolutions relating to your Centaurus Shares;
- F. request Centaurus to register in the name of Glengarry or its nominee your Centaurus Shares which you hold on any register of Centaurus; and
- G. do all things incidental or ancillary to the foregoing,

and to have agreed that in excising the powers conferred by the power of attorney, the attorney shall be entitled to act in the interests of Glengarry as the beneficial owner and intended registered holder of your Centaurus Shares in respect of which you do all such acts, matters and things that Glengarry may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of this Constitution of Centaurus) if required by Glengarry. This appointment is irrevocable and terminates upon registration of a transfer to Glengarry of your Centaurus Shares; and

- (xii) agreed not to vote in person at any general meeting of Centaurus or to exercise (or purport to exercise) in person, by proxy or otherwise, any of the powers conferred on Glengarry and the Directors, secretaries and other officers of Glengarry by Section 1.6(a)(xii) of this Annexure A.
- (b) The representations, warranties, undertakings and authorities referred to in this Section 1.6 of Annexure A will (unless otherwise stated) remain in force after you receive the consideration for your Centaurus Shares and after Glengarry becomes the register as the holder of them.
 - (c) Glengarry may at any time in its absolute discretion:
 - (i) treat the receipt by it of a Share Acceptance Form during the Share Offer Period (or in an envelope post-marked before the expiry of the Share Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Centaurus Shares, treat the acceptance as a valid acceptance in respect of all of your Centaurus Shares.

In respect of any part of an acceptance treated by it as valid, Glengarry will provide you with the relevant consideration in accordance with Section 1.7(a) of this Annexure A, and the exercise of Glengarry's rights under this Section 1.6 of this Annexure A will be conclusively and only evidenced by its so doing. This Section is not a condition of this Share Offer.

1.7 Provision of Consideration

- (a) Subject to the terms of this Share Offer and the Corporations Act, Glengarry will provide the consideration for your Centaurus Shares not later than one month after this Share Offer is accepted or this Share Offer (or the contract resulting from its acceptance) becomes unconditional, whichever is the later, but in any event (assuming the Share Offer becomes or is declared unconditional) not later than 21 days after the end of the Share Offer Period.
- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Share Offer, regardless of any delay in providing the consideration or any extension of the Share Offer.

- (c) Subject to Sections 1.8 and 1.9 of this Annexure A, the obligations of Glengarry to allot and issue any Glengarry Shares to which you are entitled under the Share Offer will be satisfied:
- (i) by entering your name on the register of members of Glengarry; and
 - (ii) if your name is entered into the issuer sponsored sub-register of Glengarry, by Glengarry dispatching to you an Issuer Sponsored Holding statement for the Glengarry Shares to which you become entitled by accepting this Share Offer (by pre-paid mail to your address as shown on the register of members Centaurus).
- (d) Where the Share Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
- (i) if that document is given with your acceptance, Glengarry will provide the consideration in accordance with Section 1.7(a) of this Annexure A;
 - (ii) if that document is given after acceptance and before the end of the Share Offer Period while this Share Offer is subject to a defeating condition, Glengarry will provide the consideration by the end of whichever of the following periods ends earlier:
 - A. within one month after this Share Offer becomes unconditional; or
 - B. 21 days after the end of the Share Offer Period;
 - (iii) if that document is given after acceptance and before the end of the Share Offer Period while this Share Offer is not subject to a defeating condition, Glengarry will provide the consideration by the end of whichever of the following periods ends earlier:
 - A. within one month after that document is given; and
 - B. 21 days after the end of the Share Offer Period; and
 - (iv) if that document is given after the end of the Share Offer Period, Glengarry will provide the consideration within 21 days after that document is given.
- (e) If, at the time you accept the Share Offer, any of the following:
- (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) Iraq (Reconstruction and Repeal Sanctions) Regulations 2003 (Cth); or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Governmental Agency be obtained before you receive any consideration for your Centaurus Shares, or would make it unlawful for Glengarry to provide any consideration to you for your Centaurus Shares, you will not be entitled to receive any consideration for your Centaurus Shares until all requisite authorities, clearances or approvals have been received by Glengarry.

1.8 Foreign Centaurus Shareholders

- (a) If you are a Foreign Centaurus Shareholder (as that expression is defined in Section 11 of this Bidder's Statement), and you accept this Share Offer, Glengarry will:

- (i) arrange for the issue to a nominee approved by the ASIC ("**Sale Nominee**") of the number of Glengarry Shares to which you and all other Foreign Centaurus Shareholders would have been entitled but for this section;
- (ii) cause those Glengarry Shares to be offered for sale on the ASX as soon as practicable and in any event not more than 15 Business Days after the expiry of the Offer Period for the Share Offer, in such manner, at such price and on such other terms and conditions are determined by the Sale Nominee acting in good faith; and
- (iii) promptly pay, or procure that the Sale Nominee pays, to you the amount ascertained in accordance with the following formula (calculated on an average basis so that all Foreign Centaurus Shareholders who accept the Share Offer receive the same value per Centaurus Share, subject to rounding):

$$\text{Net Proceeds of Sale} \times \frac{\text{A}}{\text{B}}$$

Where:

Net Proceeds of Sale is the amount remaining after deducting the expenses of the sale (brokerage, stamp duty and other selling costs, taxed and charges) from the proceeds of sale;

A is the number of Glengarry Shares which would, but for Section 1.8(a) of this Annexure A, have been allotted and issued to you; and

B is the total number of Glengarry Shares allotted and issued to the Sale Nominee under this Section in respect of the Centaurus Shares held by all Foreign Centaurus Shareholders.

- (b) You will be paid your share of the net proceeds of the sale of the Glengarry Shares by the Sale Nominee in Australian currency.
- (c) Payment will be made by cheque posted to you at your risk by pre-paid mail as soon as practicable and in any event within the period required by the Corporations Act to your address in the most up to date copy of the Centaurus register provided to Glengarry before your consideration cheque is produced.
- (d) Under no circumstances will interest be paid on your share of the net proceeds of the sale of Glengarry Shares by the Sale Nominee, regardless of any delay in remitting these proceeds to you or your receipt of those proceeds

1.9 Defeating Conditions of this Share Offer

- (a) Subject to Sections 1.9(b) and 1.9(c) of this Annexure A, the Share Offer and any contract that results from acceptance of the Share Offer are subject to the fulfilment of the following conditions:

- (i) **Minimum Acceptance**

At or before the end of the Offer Period, Glengarry has a relevant interest in such number of Centaurus Shares which represents at least 90% of the aggregate of all the Centaurus Shares on issue at the end of the Offer Period. Glengarry must not waive this minimum acceptance condition without the prior consent of Centaurus to do so.

- (ii) **No Change of Control Rights**

Between the Announcement Date and the end of the Offer Period (each inclusive), there is no person having any rights, being entitled to have any rights, alleging an entitlement, or expressing or announcing an intention (whether or not that intention is

stated to be a final or determined decision of that person) (in all cases whether subject to conditions or not), as a result of any change of control event in respect of Centaurus (including Glengarry acquiring Centaurus Shares) or any of its Subsidiaries or assets, to:

- A. terminate or alter any contractual relations between any person and Centaurus or any of its Subsidiaries (for this purpose an alteration includes of the operations of a contract, whether or not that altered operation is provided for under the existing terms of the contract);
- B. require the termination, modification or disposal (or offer to dispose) of any interest or asset, corporate body, joint venture or other entity; or
- C. accelerate or adversely modify the performance of any obligations of Centaurus or any of its Subsidiaries under any agreements, contracts or other legal arrangements.

(iii) **No Regulatory Actions**

Between the Announcement Date and the end of the Offer Period (each inclusive):

- A. there is not in effect any preliminary or final decision, order or decree issued by a Government Agency;
- B. no action or investigation is announced, commenced or threatened by any Government Agency; and
- C. no application is made to any Government Agency (other than by Glengarry or any of its associates),

in consequence of or in connection with the Offer (other than an application to, or a decision or order of, ASIC or the Takeovers Panel under, or relating to a breach of, Chapter 6, 6A, 6B or 6C of the Corporations Act or relating to unacceptable circumstances within the meaning of Section 657A of the Corporations Act) which restrains, prohibits or impedes, or threatens to restrain, prohibit or impede, the making of the Offer or the acquisition of Centaurus Shares and if applicable, Centaurus Bid Options under the Option Offer or the completion of any transaction contemplated by this Bidder's Statement, or seeks to require the divestiture by Glengarry of any Centaurus Shares or if applicable, Centaurus Bid Options, or the divestiture of any material assets of the Centaurus Group or Glengarry Group.

(iv) **No Material Adverse Change**

Between the Announcement Date and the end of the Offer Period, no event, change or condition occurs, is announced or becomes known to Glengarry (whether or not it becomes public) where that event, change or condition has had, or could reasonably be expected to have, a material adverse effect on:

- A. the business, assets, liabilities, financial or trading position, profitability or prospects of the Centaurus Group, taken as a whole, since 30 June 2009 by an amount of \$1,000,000 or more; or
- B. the status or terms of any approvals, licences or permits from any department or Government Agency, taken as a whole, applicable to either of the Centaurus Group's Itambé or Passabem projects,
- C. in the case of Centaurus, the ability of Centaurus or its Subsidiaries to develop either of the Centaurus Group's Itambé or Passabem projects and to sell iron ore obtained from those projects to the Brazilian domestic steel industry in the manner described in the public announcements made by Centaurus prior to the Announcement Date,

except for events, changes and conditions fairly disclosed in the Centaurus Due Diligence Material or publicly announced by Centaurus or otherwise disclosed in public filings in Australia by Centaurus or any of its Subsidiaries prior to the Announcement Date provided that the relevant disclosure or announcement is not, and is not likely to be, incomplete, incorrect, untrue or misleading.

(v) **No Material Acquisitions, Disposals or New Commitments**

Except for any proposed transaction publicly announced by Centaurus before the Announcement Date or consented to by Glengarry, none of the following events occurs during the period from the Announcement Date to the end of the Offer Period (each inclusive):

- A. Centaurus or any Subsidiary of Centaurus acquires, offers to acquire or agrees to acquire one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount in aggregate greater than \$100,000, or makes an announcement in relation to such an acquisition, offer or agreement;
- B. Centaurus or any Subsidiary of Centaurus disposes of, offers to dispose of or agrees to dispose of, one or more entities, businesses or assets (or any interest in one or more entities, businesses or assets) for an amount, or in respect of which the book value (as recorded in Centaurus' consolidated balance sheet as at 30 June 2009) is, in aggregate, greater than \$100,000, or makes an announcement in relation to such a disposition, offer or agreement; or
- C. Centaurus or any Subsidiary of Centaurus enters into, or offers to enter into or agrees to enter into, any agreement, joint venture or partnership which would require expenditure, or the foregoing of revenue, by the Centaurus Group of an amount which is, in aggregate, more than \$100,000, other than in the ordinary course of business, or makes an announcement in relation to such an entry, offer or agreement.

(vi) **ASIC Waiver**

Glengarry applying for and being granted an exemption by ASIC pursuant to Section 655A(1)(b) of the Corporations Act to treat, for the purposes of the Takeover Bid, all of the Centaurus Bid Options on issue as one class of options.

(vii) **Options**

If the condition in Section 1.9(a)(vi) is not satisfied then with respect to the Centaurus Bid Options:

- A. all Centaurus Bid Options have either been exercised, cancelled or transferred to Glengarry or agreement has been reached with the holders of all of the Centaurus Bid Options for them to be exercised, cancelled or transferred; or
- B. Glengarry is entitled to compulsorily acquire all outstanding Centaurus Bid Options in accordance with Chapter 6A of the Corporations Act.

(viii) **Withdrawal of Resolution**

That the Centaurus Directors will withdraw from the matters to be considered at Centaurus' annual general meeting to be held on 30 November 2009 the resolutions seeking the approval of Centaurus Shareholders to the grant of up to 2,000,000 options to acquire Centaurus Shares to Mr Mark Papendieck, Mr Richard Hill and Mr Darren Gordon.

(ix) Prescribed Occurrences

Before the end of the Share Offer Period, no Prescribed Occurrence occurs.

- (b) Each condition in Section 1.9(a) of this Annexure A is a separate, several and distinct condition, operates as a condition subsequent and is for the benefit of Glengarry alone and may only be relied upon by Glengarry.
- (c) Except as provided below, Glengarry may free this Share Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.9(a) of this Annexure A by giving notice to Centaurus declaring with Section 650F of the Corporations Act. This notice may be given:
 - (i) in relation to the condition in Section 1.9(a)(ix) of this Annexure A that comprises an event or circumstance referred to in Sections 652C(1) or (2) of the Corporations Act in relation to Centaurus – not later than 3 business days after the end of the Share Offer Period; and
 - (ii) In relation to all other conditions – not later than 7 days before the end of the Share Offer Period.
- (d) Subject to the provisions of the Corporations Act, Glengarry alone will be entitled to the benefit of the conditions in Section 1.9(a) of this Annexure A and any breach or non-fulfilment thereof may be relied upon only by Glengarry.
- (e) Under the Implementation Agreement, Glengarry requires the consent of Centaurus to waive the defeating condition in Section 1.9(a)(i) above.
- (f) The date for giving the notice required by Section 630(3) of the Corporations Act is 7 January 2010, subject to extension in accordance with 630(2) if the Share Offer Period is extended.
- (g) The Share Offer is subject to the condition that permission for admission to official quotation by ASX of the Glengarry Shares to be issued pursuant to the Share Offer is sought no later than 7 days after the start of the Share Offer Period and is granted no later than 7 days after the end of the Share Offer Period. This condition is not a defeating condition for the purposes of the Corporations Act, and is not of the same nature as the conditions set out in Section 1.9 of this Annexure A. The Share Offer cannot be freed of this condition and consequently no statements made by Glengarry can be taken to waive that condition.

1.10 Withdrawal of Share Offer

Glengarry may withdraw this Share Offer at any time before you accept it, but only with the consent in writing of the ASIC (which consent may be given subject to such conditions, if any, as are imposed by the ASIC).

1.11 Variation

Glengarry may vary this Share Offer in accordance with Section 650D of the Corporations Act.

1.12 Stamp Duty or Other Costs

All costs and expenses of the preparation, dispatch and circulation of this Share Offer and any stamp duty payable in respect of the transfers will be paid by Glengarry. No brokerage is payable by you if you accept this Share Offer.

1.13 Governing Law

This Share Offer and any contract that results from your acceptance of this Share Offer are governed by the laws in force in Western Australia.

1.14 Date of Share Offer

This Share Offer is dated 9 December 2009.

ANNEXURE B

TERMS OF OPTION OFFER

1.1 General Terms

- (a) Glengarry offers to acquire all of your Centaurus Bid Options, together with all rights attached to them, on the following terms and conditions.
- (b) The consideration being offered by Glengarry for the acquisition of all of your Centaurus Bid Options is 8 Glengarry Options for each Centaurus Bid Option you own, as summarised in Annexures E and F, subject to the terms and conditions set out in this Option Offer.

1.2 Option Offer Period

Unless withdrawn, this Option Offer will remain open for acceptance during the period commencing on the date of this Option Offer and ending at 5.00pm (WST) on 15 January 2010, subject to any extension in accordance with the Corporations Act.

1.3 Who May Accept

- (a) An Option Offer in this form and bearing the same date is being made to each person registered as a holder of Centaurus Bid Options on Centaurus' register of members as at the Record Date.
- (b) A person who:
 - (i) is able during the Option Offer Period to give good title to a parcel of Centaurus Bid Options; and
 - (ii) has not already accepted this Option Offer which relates to those Centaurus Bid Options,

may accept as if an Option Offer from Glengarry on terms identical with this Option Offer had been made to that person in relation to those Centaurus Bid Options.

- (c) If, at any time during the Option Offer Period and before this Option Offer is accepted, any person holds one or more distinct parcels of Centaurus Bid Options (for example, as trustee, nominee or otherwise on account of another person) within the meaning of Section 653B of the Corporations Act, then:
 - (i) this Option Offer is deemed to consist of a separate corresponding Option Offer to that person in relation to each distinct parcel of Centaurus Bid Options; and
 - (ii) acceptance by that person of the Option Offer for any distinct parcel of Centaurus Bid Options is ineffective unless the person gives written notice to Glengarry stating that the Centaurus Bid Options consist of distinct portions and the acceptance specifies the number of the Centaurus Bid Options in each separate parcel to which the acceptance relates.
- (d) This Option Offer is not registered in any jurisdiction outside Australia (unless an applicable Foreign Law treats it as registered as a result of this Bidder's Statement being lodged with ASIC). It is your sole responsibility to satisfy yourself that you are permitted by any Foreign Law applicable to you to accept this Option Offer and to comply with any other necessary formality and to obtain any necessary governmental or other consents.

1.4 How to Accept this Option Offer

- (a) You may only accept this Option Offer in respect of 100% (and not a lesser number) of your Centaurus Bid Options. For example, if you have 10,000 Centaurus Bid Options and you

wish to accept the Option Offer, you may only accept this Option Offer in respect of 10,000 Centaurus Bid Options.

- (b) You may only accept this Option Offer during the Option Offer Period.
- (c) You may accept the Option Offer by:
 - (i) completing and signing the Option Acceptance Form in accordance with the instructions on the Option Acceptance Form; and
 - (ii) ensure that the Option Acceptance Form together with all other documents required by the instructions on it are received at the following address before the end of the Option Offer Period:

Mailing Address:
Glengarry Resources limited
C/- Advanced Share Registry Limited
PO Box 1156
Nedlands WA 6909

Delivery Address:
Glengarry Resources Limited
C/- Advanced Share Registry Limited
150 Stirling Highway
Nedlands WA 6009
- (d) Once you have accepted this Option Offer, you will be unable to revoke your acceptance and the contract resulting from your acceptance will be binding on you, subject to Sections 650E and 650G of the Corporations Act.
- (e) Glengarry may, in its sole discretion, at any time deem any Option Acceptance Form it receives to be a valid acceptance in respect of your Centaurus Bid Options even if a requirement for acceptance has not been complied with.

1.5 The Effect of Acceptance

- (a) By following the procedures described in Section 1.4 of this Annexure B, you will be deemed to have:
 - (i) accepted this Option Offer (and any variation to it) in respect of the Centaurus Bid Options registered in your name to which this Option Offer relates, regardless of the number of Centaurus Bid Options specified in the Option Acceptance Form;
 - (ii) agreed to the terms of the Option Offer and, subject to the conditions contained in Section 1.7 of this Annexure B being fulfilled or waived, agreed to transfer (or consented to the transfer in accordance with the ASTC Settlement Rules) to Glengarry all of your Centaurus Bid Options, including agreeing to vary the terms of your Centaurus Bid Options to allow for this transfer;
 - (iii) authorised Glengarry to complete the Option Acceptance Form by correcting any errors in or omissions from the Option Acceptance Form as may be necessary:
 - A. to make the Option Acceptance Form an effective acceptance of this Option Offer; and/or
 - B. to enable registration of the transfer to Glengarry of your Centaurus Bid Options;
 - (iv) represented and warranted to Glengarry that:

- A. Glengarry will acquire good title to and beneficial ownership of all of your Centaurus Bid Options free from all mortgages, charges, liens, encumbrances (whether legal or equitable) and other third party interests of any kind;
 - B. you have paid Centaurus all amounts which are due in respect of your Centaurus Bid Options; and
 - C. you have full power and capacity to accept the Option Offer and to sell and transfer the legal and beneficial ownership of your Centaurus Bid Options (together with all rights attached to them) to Glengarry;
- (v) represented and warranted to Glengarry that the making by Glengarry to you, and your acceptance, of this Option Offer is lawful under any Foreign Law which applies to you to the making of this Option Offer, and to your acceptance of this Option Offer; and
- (vi) with effect from the later of acceptance of the Option Offer and the date that any contract resulting from that acceptance becomes, or is declared unconditional, appointed (and agreed not to revoke that appointment) Glengarry and each of its Directors, secretaries and other officers from time to time severally as your agent and true and lawful attorney, with power to do all things which you could lawfully do concerning your Centaurus Bid Options or in exercise of any right or power derived from the holding of your Centaurus Bid Options and to have agreed that in exercising the powers conferred by that power of attorney, the attorney shall be entitled to act in the interests of Glengarry as the beneficial owner and intended registered holder of your Centaurus Bid Options in respect of which you have accepted this Option Offer and to have further agreed to do all such acts, matters and things that Glengarry may require to give effect to the matters the subject of this paragraph (including the execution of a written form of proxy to the same effect as this paragraph which complies in all respects with the requirements of the Constitution of Centaurus) if requested by Glengarry. This appointment is irrevocable and terminates upon registration of a transfer to Glengarry of your Centaurus Bid Options.
- (b) The representations, warranties, undertakings and authorities referred to in this Section 1.5 of Annexure B will (unless otherwise stated) remain in force after you receive the consideration for your Centaurus Bid Options and after Glengarry becomes the register as the holder of them.
- (c) Glengarry may at any time in its absolute discretion:
- (i) treat the receipt by it of an Option Acceptance Form during the Option Offer Period (or in an envelope post-marked before the expiry of the Option Offer Period) as a valid acceptance notwithstanding that one or more of the other requirements for a valid acceptance have not been complied with; and
 - (ii) where you have satisfied the requirements for acceptance in respect of only some of your Centaurus Bid Options, treat the acceptance as a valid acceptance in respect of all of your Centaurus Bid Options.

In respect of any part of an acceptance treated by it as valid, Glengarry will provide you with the relevant consideration in accordance with Section 1.6(a) of this Annexure B, and the exercise of Glengarry's rights under this Section 1.5 of this Annexure B will be conclusively and only evidenced by its so doing. This Section is not a condition of this Option Offer.

1.6 Provision of Consideration

- (a) Subject to the terms of this Option Offer and the Corporations Act, Glengarry will provide the consideration for your Centaurus Bid Options not later than one month after this Option Offer is accepted or this Option Offer (or the contract resulting from its acceptance) becomes

unconditional, whichever is the later, but in any event (assuming the Option Offer becomes or is declared unconditional) not later than 21 days after the end of the Option Offer Period.

- (b) Under no circumstances will interest be paid on the consideration to which you are entitled to under the Option Offer, regardless of any delay in providing the consideration or any extension of the Option Offer.
- (c) Where the Option Acceptance Form requires an additional document to be given with your acceptance (such as a power of attorney):
 - (i) if that document is given with your acceptance, Glengarry will provide the consideration in accordance with Section 1.6(a) of this Annexure B;
 - (ii) if that document is given after acceptance and before the end of the Option Offer Period while this Option Offer is subject to a defeating condition, Glengarry will provide the consideration by the end of whichever of the following periods ends earlier:
 - A. within one month after this Option Offer becomes unconditional; or
 - B. 21 days after the end of the Option Offer Period;
 - (iii) if that document is given after acceptance and before the end of the Option Offer Period while this Option Offer is not subject to a defeating condition, Glengarry will provide the consideration by the end of whichever of the following periods ends earlier:
 - A. one month after that document is given; or
 - B. 21 days after the end of the Option Offer Period; and
 - (iv) if that document is given after the end of the Option Offer Period, Glengarry will provide the consideration within 21 days after that document is given.
- (d) If, at the time you accept the Option Offer, any of the following:
 - (i) Banking (Foreign Exchange) Regulations 1959 (Cth);
 - (ii) Charter of the United Nations (Terrorism and Dealing with Assets) Regulations 2002 (Cth);
 - (iii) Charter of the United Nations (Sanctions – Afghanistan) Regulations 2001 (Cth);
 - (iv) Iraq (Reconstruction and Repeal of Sanctions) Regulations 2003 (Cth); or
 - (v) any other law of Australia,

require that an authority, clearance or approval of the Reserve Bank of Australia, the Australian Taxation Office or any other Government Agency be obtained before you receive any consideration for your Centaurus Bid Options, or would make it unlawful for Glengarry to provide any consideration to you for your Centaurus Bid Options, you will not be entitled to receive any consideration for your Centaurus Bid Options until all requisite authorities, clearances or approvals have been received by Glengarry.

1.7 Defeating Conditions of this Option Offer

- (a) Subject to Sections 1.7(b) and 1.7(c) of this Annexure B, the Option Offer and any contract that results from acceptance of the Option Offer are subject to the fulfilment of the following conditions:

- (i) **(Share Offer Minimum Acceptance)** that during, or at the end of, the Share Offer Period, the Glengarry Group has a Relevant Interest in more than 90 per cent of all Centaurus Shares on issue at the end of the Offer Period;
 - (ii) **(Share Offer Unconditional)** before the end of the Offer Period, the Share Offer is, or has been declared, unconditional in all respects;
 - (iii) **(ASX Approval of Amendment of Option Terms)** before the end of the Option Offer Period, ASX has provided all such waivers as are required to permit the amendment of the terms of the Centaurus Bid Options to allow transfer to Glengarry without the approval of Centaurus Shareholders pursuant to Listing Rule 6.23.4; and
 - (iv) **(Regulatory Approval)** before the end of the Option Offer Period, Glengarry obtains any regulatory approval required for the Option Offer.
- (b) Each condition in Section 1.7(a) of this Annexure B is a separate, several and distinct condition, operates as a condition subsequent and is for the benefit of Glengarry alone and may only be relied upon by Glengarry.
 - (c) Except as provided below, Glengarry may free this Option Offer, and any contract resulting from its acceptance, from all or any of the conditions in Section 1.7(a) of this Annexure B by giving notice to Centaurus declaring the Option Offers to be free from the conditions specified in accordance with Section 650F of the Corporations Act. This notice may be given not later than 7 days before the end of the Option Offer Period.
 - (d) Subject to the provisions of the Corporations Act, Glengarry alone will be entitled to the benefit of the conditions in Section 1.7(a) of this Annexure B and any breach or non-fulfilment thereof may be relied upon only by Glengarry.
 - (e) Under the Implementation Agreement, Glengarry requires the consent of Centaurus to waive the defeating condition in Section 1.7(a)(i) above.
 - (f) The date for giving the notice required by Section 630(3) of the Corporations Act is 7 January 2010, subject to extension in accordance with 630(2) if the Option Offer Period is extended.

1.8 **Withdrawal of Option Offer**

Glengarry may withdraw this Option Offer at any time before you accept it, but only with the consent in writing of the ASIC (which consent may be given subject to such conditions, if any, as are imposed by the ASIC).

1.9 **Variation**

Glengarry may vary this Option Offer in accordance with Section 650D of the Corporations Act.

1.10 **Stamp Duty or Other Costs**

All costs and expenses of the preparation, dispatch and circulation of this Option Offer and any stamp duty payable in respect of the transfers will be paid by Glengarry. No brokerage is payable by you if you accept this Option Offer.

1.11 **Governing Law**

This Option Offer and any contract that results from your acceptance of this Option Offer are governed by the laws in force in Western Australia.

1.12 **Date of Option Offer**

This Option Offer is dated 9 December 2009.

ANNEXURE C

Glengarry's ASX Announcements

Glengarry has lodged the following announcements with ASX since the lodgement of the 2009 audited financial statements:

| Date Lodged | Description of Document |
|-------------|---|
| 3/12/09 | Postcard Distribution to Centaurus Shareholders |
| 24/11/09 | Results of Meeting |
| 23/11/09 | 2009 AGM Presentation |
| 23/11/09 | Chairman's Address |
| 16/11/09 | CUR: Letter to Shareholders |
| 13/11/09 | Becoming a Substantial Holder for CUR |
| 11/11/09 | Glengarry and Centaurus to Merge |
| 9/11/09 | Trading Halt |
| 20/10/09 | Notice of Annual General Meeting/Proxy Form |
| 20/10/09 | Annual Report to Shareholders |
| 19/10/09 | Quarterly Cashflow Report |
| 19/10/09 | Quarterly Activities Report |
| 12/10/09 | Employee Options Expired |
| 23/09/09 | Appendix 3B – Issue of Unlisted Options |

ANNEXURE D

Centaurus' ASX Announcements

Centaurus has lodged the following announcements with ASX since the lodgement of the 2009 audited financial statements:

| Date Lodged | Description of Document |
|-------------|--|
| 3/12/09 | Postcard Distribution to Centaurus Shareholders |
| 30/11/09 | Appendix 3B |
| 30/11/09 | Results of AGM |
| 30/11/09 | AGM Powerpoint Presentation |
| 30/11/09 | Chairman's Address at the AGM |
| 24/11/09 | Appointment of Chairman/Withdrawal of AGM Resolutions 5 to 7 |
| 23/11/09 | GGY Managing Director's Presentation |
| 16/11/09 | Letter to Shareholders |
| 13/11/09 | Becoming a Substantial Holder from GGY |
| 11/11/09 | Forfeiture of Options |
| 11/11/09 | Final Director's Interest Notice |
| 11/11/09 | Glengarry and Centaurus to Merge |
| 9/11/09 | Trading Halt |
| 6/11/09 | Director Resignation |
| 30/10/09 | Annual Report to Shareholders |
| 30/10/09 | Quarterly Cashflow Report |
| 30/10/09 | Quarterly Activities Report |
| 29/10/09 | Notice of Annual General Meeting/Proxy Form |
| 28/10/09 | Positive Itambé Scoping Study |
| 21/10/09 | Replacement Initial Director's Interest Notice |
| 21/10/09 | Initial Director's Interest Notice |
| 16/10/09 | Director Appointment – Mr Peter Freund |

ANNEXURE E

Summary of Centaurus Bid Options and Glengarry Options

| Centaurus Tranche | Key Terms of Centaurus Bid Options | Total Number of Centaurus Options on Issue | Key Terms ¹ of Glengarry Options | Total Number ² of Glengarry Options to be Issued |
|-------------------|---|--|--|---|
| 1 | Exercisable at \$1.00 expiring 27 Nov 2011 | 1,500,000 | Exercisable at \$0.12500 expiring 27 Nov 2011 | 12,000,000 |
| 2 | Exercisable at \$1.00 expiring 6 Jan 2012 | 439,924 | Exercisable at \$0.12500 expiring 6 Jan 2012 | 3,519,392 |
| 3 | Exercisable at \$0.25 expiring 4 Aug 2012 | 3,750,000 | Exercisable at \$0.03125 expiring 4 Aug 2012 | 30,000,000 |
| 4 | Exercisable at \$0.80 expiring 14 Feb 2013 | 2,000,000 | Exercisable at \$0.10000 expiring 14 Feb 2013 | 16,000,000 |
| | TOTAL | 7,689,924 | | 61,519,392 |

Notes:

1. Other terms of the tranches of Glengarry Options are set out in Annexure F.
2. On the basis of 8 Glengarry Options per 1 Centaurus Option held and assuming 100% acceptance of the Option Offer.

ANNEXURE F

GLENGARRY OPTION TERMS AND CONDITIONS

1. General

- 1.1 No monies will be payable for the grant of the options.
- 1.2 A certificate will be issued for the options.
- 1.3 The options shall expire at 5.00pm Western Standard Time on [refer to "Summary of Centaurus Bid Options and Glengarry Options: in Annexure E of this Bidder's Statement] ("**Expiry Date**").
- 1.4 Each option shall, from the date of grant, carry the right to subscribe for one fully paid ordinary share in Glengarry Resources Limited ("**Share**").
- 1.5 Options may be exercised in whole or in part. Where the options are exercised in part, they must be exercised in multiples of 1,000 on each occasion. An exercise of only some options shall not affect the rights of the Optionholder to the balance of the options held by it.
- 1.6 The Shares allotted on the exercise of these options shall be issued at an exercise price of A\$[refer to "Summary of Centaurus Bid Options and Glengarry Options" in Annexure E of this Bidder's Statement] per Share ("**Exercise Price**"), which price shall be payable in full on exercise of these options.
- 1.7 Options shall only be exercisable by the delivery to the registered office of the Company of a notice in writing. The notice must specify the number of options being exercised and must be accompanied by:
 - (a) the option certificate for those options, for cancellation by the Company and reissue of a certificate for the remaining options, if applicable; and
 - (b) payment of the Exercise Price for each Share to be issued on exercise of the options specified in the notice.

The notice is only effective (and only becomes effective) when the Company has received value for the full amount of the Exercise Price (for example, if the Exercise Price is paid by cheque, by clearance of that cheque) by the Expiry Date.
- 1.8 The Company shall allot the resultant Shares and deliver the holding statements within 10 Business Days of the exercise of the option.
- 1.9 These options shall not be listed for Official Quotation.
- 1.10 The options are transferable.
- 1.11 Shares allotted pursuant to an exercise of options shall rank, from the date of allotment, equally with existing Shares in all respects.
- 1.12 The Company shall, in accordance with the Listing Rules, make application to have Shares allotted pursuant to an exercise of options listed for Official Quotation, if the Company is listed on the ASX at the time.
- 1.13 There are no participating rights or entitlements inherent in the options and Optionholders will not be entitled to participate in any new issues of capital offered to existing holders of Shares during the currency of the options. However, the Company will ensure that for the purposes of determining entitlement to such an issue the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to

exercise their options prior to the date for determining entitlements to participate in any such issue.

- 1.14 An option does not confer the right to a change in the exercise price or the number of underlying Shares over which the option can be exercised
- 1.15 If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the Listing Rules at the time of the reconstruction.

2. Interpretation

In these Terms and Conditions:

ASX means ASX Limited ABN 98 008 624 691 and, where the context permits, the Australian Securities Exchange operated by ASX Limited;

Business Day means a day on which banks are open for general banking business in Perth, other than a Saturday or a Sunday or public holiday and which is also a business day for the purposes of the Listing Rules;

Company means Glengarry Resources Limited ACN 009 468 099;

Corporations Act means Corporations Act 2001 (Cth);

Listing Rules means the official listing rules of ASX as amended, varied, modified or waived from time to time;

Official Quotation has the meaning ascribed to it in the Listing Rules; and

Optionholder means the person holding these options.

ANNEXURE G

ASIC MODIFICATIONS

09-01057

**Australian Securities and Investments Commission
Corporations Act 2001 – Paragraph 655A(1)(b) –Declaration**

Under paragraph 655A(1)(b) of the *Corporations Act 2001 (Act)*, the Australian Securities and Investments Commission (*ASIC*) declares that Chapter 6A of the Act applies to the person specified in Schedule A in the case specified in Schedule B as if:

- (a) subsection 605(2) of the Act were modified or varied by:
 - (i) deleting “or” at the end of paragraph (a);
 - (ii) deleting “.” at the end of paragraph (b) and replacing it with “; or”; and
 - (iii) inserting the following new paragraph after paragraph (b):
 - “(c) they are options which have different exercise prices and exercise dates.”;
- (b) subsection 618(1) were modified or varied by inserting the words “or compensate the holders of such securities for the cancellation, surrender or forfeiture of” after the word “buy” were it first appears in that subsection;
- (c) subsection 619(2) was modified or varied by:
 - (i) deleting “.” at the end of paragraph (e) and substituting “; and”; and
 - (ii) inserting the following paragraph after paragraph (e):
 - “(f) any differences in the offers attributable to the fact that the offers relate to options which have different exercise prices or different exercise dates.”.

Schedule A

Glengarry Resources Limited ACN 009 468 099 (*Bidder*)

Schedule B

1. Where the Bidder makes an off-market bid to acquire 4 tranches of approximately 7,689,924 options being options over unissued ordinary shares in Centaurus Resources Limited ACN 120 281 969 (*Target*) in respect of which the bidder’s statement will be lodged with ASIC on or about 3 December 2009.
2. The consideration offered by the Bidder for different options under the Option Offer is equitable having regard to the different exercise prices and expiry dates of the different options.

Dated 3 December 2009

.....

 Signed by Kyle Jonathan Wright, as a delegate of the
 Australian Securities and Investments Commission

09-01048

**Australian Securities and Investments Commission
Corporations Act 2001 – Paragraph 669(1)(b) – Declaration**

1. Under paragraph 669(1)(b) *Corporations Act 2001 (Act)*, the Australian Securities and Investments Commission (*ASIC*) declares that Chapter 6A of the Act applies in relation to the person specified in Schedule A in the case specified in Schedule B as if:

(a) Division 1 of Part 6A.1 of the Act were modified or varied by adding a new section 664H which reads:

“In this Division, a reference to acquiring securities, when used in relation to non-transferable securities, includes securing binding commitments from holders to the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities”;

(b) Subsection 666B(1) of the Act were modified or varied by adding the words “, in the case of securities that are capable of being transferred,” before the word “the” where first appearing; and

(c) Part 6A.3 of the Act were modified or varied by adding a new section 666C which reads:

“(1) Under this section, in the case of securities that are not capable of being transferred, the person acquiring the securities must:

(a) give the company that issued the securities a copy of the compulsory acquisition notice under section 661B or 664C together with a deed poll providing for the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities by someone appointed by the person acquiring the securities; and

(b) pay, issue or transfer the consideration for the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities to the company that issued the securities.

The person appointed under paragraph (a) has authority to sign the deed poll on behalf of the holder of the securities.

- (2) If the person acquiring the securities complies with subsection (1), the company that issued the securities must:
- (a) cancel the securities; and
 - (b) hold the consideration received under subsection (1) in trust for the person who held the securities immediately before the surrender or forfeiture of the rights attached to those securities and the cancellation of those securities; and
 - (c) give written notice to the person referred to in paragraph (b) as soon as practicable that the consideration has been received and is being held by the company pending their instructions as to how it is to be dealt with.
- (3) If the consideration held under subsection (2) consists of, or includes, money, that money must be paid into a bank account opened and maintained for that purpose only.”

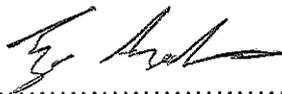
Schedule A

Glengarry Resources Limited ACN 009 468 099 (*Bidder*)

Schedule B

Where the Bidder, having satisfied the requirements of subsection 664A(2) of the Act, proceeds to compulsorily acquire approximately 13,204,924 options over unissued shares in Centaurus Resources Limited ACN 120 281 969, pursuant to a takeover bid announced on 11 November 2009.

Dated 3 December 2009



.....
Signed by Enzo Jason Anselmo, as a delegate of the
Australian Securities and Investments Commission

**Australian Securities and Investments Commission
Corporations Act 2001 - Subsection 741(1) – Declaration**

1. Under subsection 741(1) of the *Corporations Act 2001* (the *Act*) the Australian Securities and Investments Commission (*ASIC*) declares that Chapter 6D of the Act applies to the persons specified in Schedule A in the case specified in Schedule B as if section 707 were modified or varied by omitting subsections 707(3) and (4) and substituting:

“(3) An offer of a body's securities for sale within 12 months after their issue needs disclosure to investors under this Part if the body issued the securities:

- (a) without disclosure to investors under this Part; and
- (b) with the purpose of the person to whom they were issued;
 - (i) selling or transferring them; or
 - (ii) granting, issuing or transferring interests in, or options or warrants over, them;

and section 708 or 708A does not say otherwise.

(4) Unless the contrary is proved, a body is taken to issue securities with the purpose referred to in paragraph (3)(b) if any of the securities are subsequently sold, or offered for sale, within 12 months after their issue.”.

Schedule A

A shareholder of Glengarry Resources Limited ACN 009 468 099 (*Glengarry*) who makes an offer for sale of a kind referred to in Schedule B.

Schedule B

An offer for the sale of securities in Glengarry where:

- (a) the securities were issued by reason of the exercise of options (the *Options*) which were:
 - (i) issued under the Off-Market Bid; and
 - (ii) issued without disclosure to investors under Part 6D.2 of the Act because subsection 708(18) applied; and

- (b) the circumstances and terms of issue of the Options issued under the Off-Market Bid are disclosed in the Bidder's Statement; and
- (c) the Bidder's Statement includes a statement describing the need for, and effect of, the relief contained in this instrument; and
- (d) the exercise of the Options did not involve any further offer of the securities.

Interpretation

In this instrument:

Bidder's Statement means the bidder's statement relating to the Off-Market Bid lodged with ASIC on or about 3 December 2009.

Centaurus means Centaurus Resources Limited ACN 120 281 969.

Off-Market Bid means the off-market bid by Glengarry offering to acquire Centaurus Options.

Centaurus Options means 4 tranches of approximately 7,689,924 options over unissued shares in Centaurus as described in the Bidder's Statement.

Dated 3 December 2009



.....
Signed by Enzo Jason Anselmo, as a delegate of the
Australian Securities and Investments Commission

CORPORATE DIRECTORY

DIRECTORS

K G McKay BSc (Hons), FAusIMM, MAICD
Non-Executive Chairman

D P Gordon B.Bus, CA, FFin, ACIS, MAICD
Managing Director

G T Clifford B.Bus, FCPA, FCIS
Non-Executive Director

D M Murcia B.Juris, LL.B
Non-Executive Director

COMPANY SECRETARY

G A James, B.Bus, CA, ACIS

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Mezzanine Level
35 Havelock Street
West Perth WA 6005
(PO Box 975, West Perth WA 6872)

Telephone: (08) 9322 4929
Facsimile: (08) 9322 5510
Email: info@glengarry.com.au
Website: www.glengarry.com.au

LEGAL ADVISER TO THE COMPANY

Blakiston & Crabb
Lawyers
1202 Hay Street
West Perth WA 6005

CORPORATE ADVISER TO THE COMPANY

Hartleys Limited
Level 6,
141 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE*

ASX Limited
Exchange Plaza
2 The Esplanade
Perth WA 6000

Glengarry Resources Limited shares are listed
on the Australian Securities Exchange.

Ordinary fully paid shares
(ASX code: GGY)

SHARE REGISTRY*

Advanced Share Registry Limited
150 Stirling Highway
Nedlands WA 6009

Telephone: (08) 9389 8033

AUDITOR*

KPMG
Chartered Accountants
235 St Georges Terrace
Perth WA 6000

**These entities have been included for information purposes only. They have not been involved in the preparation of this Bidder's Statement.*



PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

Mezzanine Level
35 Havelock Street
West Perth WA 6005
(PO Box 975, West Perth WA 6872)

Telephone: (08) 9322 4929
Facsimile: (08) 9322 5510
Email: info@glengarry.com.au
Website: www.glengarry.com.au

A

Acceptance Form – Centaurus Shareholding

This is a personalised form for the sole use of the Shareholder. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional advisor.

This form relates to an offer (“Glengarry Share Offer”) by Glengarry Resources Limited to acquire all of your shares (“CUR Shares”) in Centaurus Resources Limited (“CUR”) pursuant to a Bidder’s Statement dated 3 December 2009 (the “Bidder’s Statement”). Terms defined in the Bidder’s Statement but not in this form have the same meaning as the Bidder’s Statement unless the context requires otherwise.

Use this Form to accept Glengarry’s Share Offer for your Centaurus Resources Limited shares (CUR Shares)

B What Glengarry Resources Limited is offering to buy

Glengarry Resources Limited is offering to buy all of your CUR Shares, including CUR Shares that are issued during the Offer Period due to the exercise of CUR Options.

What you will receive if you accept the Offer

If you accept the Offer, then subject to the satisfaction of the conditions of the Offer, you will receive eight Glengarry Shares for each of your CUR Shares.

No brokerage on acceptances

You will not pay brokerage if you accept the Offer. Any transaction costs will be borne by Glengarry Resources Limited.

| | |
|--|----------------------|
| Your current CUR shareholding | <input type="text"/> |
| Amount of Glengarry Shares you will receive, based on your current CUR shareholding | <input type="text"/> |

C Contact Details

Please provide your contact details in case we need to speak to you about this Form.

Name/email address of contact person

Contact person’s daytime telephone number

| | |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |
|----------------------|----------------------|

D Sign here – this section must be signed for your instructions to be executed

I/We accept the offer made by Glengarry Resources Limited for my/our CUR Shares. I/we agree to be bound by the terms and conditions of the Offer and transfer all of my/our CUR Shares to Glengarry Resources Limited for the above consideration.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

How to complete this form

Acceptance of the takeover offer

A Registration Details

The Shares are currently registered in the name(s) printed on this form. Your Glengarry Shares will be issued in the names that appear on the Centaurus Resources Limited register.

If you have already sold all your CUR Shares shown overleaf, do not keep or return this form. Please send this form to the broker who sold them for you.

Power of Attorney

To sign under Power of Attorney, you must have already lodged this document with the Glengarry Resources Limited's share registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it.

B Consideration

The consideration payable under the takeover offer is eight Glengarry Resources Limited Shares for each of your CUR Shares.

Deceased Estate

All executors must sign and, if not already noted by the Glengarry Resources Limited's registry, a certified copy of Probate or Letters of Administration must accompany this form.

C 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.

Companies

This form must be signed by either two Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director, and pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable.

D Signature(s)

You must sign the form as follows in the space provided:

Joint holding Where the holding is in more than one name all of the securityholders must sign.

How to accept the Offer

If your CUR Shares are held in an Issuer Sponsored Holding, simply complete and return this form to the Glengarry Resources Limited's share registry, Advanced Share Registry Services, so that it is received by no later than 5.00pm WST on 15 January 2010 unless extended.

If your CUR Shares are in a CHESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant. If you want Glengarry Resources Limited to contact your Controlling Participant on your behalf via the CHESS system, please sign and return this Form to Glengarry Resources Limited's share registry, Advanced Share Registry Services, so that it is received no later than 5.00pm WST on 15 January 2010 unless extended.

If you sign and return this Form to Advanced Share Registry Services, either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to Glengarry Resources Limited (and authorise Glengarry Resources Limited to warrant on your behalf) that you have full legal and beneficial ownership of the CUR Shares and that Glengarry Resources Limited will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Neither Glengarry Resources Limited nor Advanced Share Registry Services will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the offer on your behalf.

Lodgement of Acceptance Form

This Acceptance Form must be received at the Perth office of Advanced Share Registry Services by no later than 5.00pm WST 15 January 2010. Return this Acceptance Form to:

Postal Address
Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909

OR

Hand Delivery
Advanced Share Registry Services
150 Stirling Highway
Nedlands WA 6009

Privacy Statement

Personal information is collected on this form by Advanced Share Registry Services 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 Advanced Share Registry Services, or you would like to correct information that is inaccurate, incorrect or out of date, please contact Advanced Share Registry Services. 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 Advanced Share Registry Services. You can contact Advanced Share Registry Services using the details provided on the front of this form.

If you have any enquiries concerning the Offer please contact Advanced Share Registry Services: within Australia on 08 9389 8033 or outside Australia on + 61 8 9389 8033.

Please note this Form may not be used to change your address.

Please return the completed form in the envelope provided or to the address opposite:

Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909

A

Acceptance Form – Centaurus Optionholding

This is a personalised form for the sole use of the Optionholder. It is an important document and requires your immediate attention. If you are in doubt about how to deal with it, please consult your financial or other professional advisor.

This form relates to an offer (“Glengarry Option Offer”) by Glengarry Resources Limited to acquire all of your options (“CUR Options”) in Centaurus Resources Limited (“CUR”) pursuant to a Bidder’s Statement dated 3 December 2009 (the “Bidder’s Statement”). Terms defined in the Bidder’s Statement but not in this form have the same meaning as the Bidder’s Statement unless the context requires otherwise.

Use this Form to accept Glengarry's Option Offer for your Centaurus Resources Limited Options (CUR Options)

B What Glengarry Resources Limited is offering to buy

Glengarry Resources Limited is offering to buy all of your CUR Options.

What you will receive if you accept the Offer

If you accept the Offer, then subject to the satisfaction of the conditions of the Offer, you will receive eight Glengarry Options for each of your CUR Options with the exercise price and expiry date in accordance with Annexures E and F of the Bidder’s Statement.

No brokerage on acceptances

You will not pay brokerage if you accept the Offer. Any transaction costs will be borne by Glengarry Resources Limited.

| | |
|--|----------------------|
| Your current CUR optionholding | <input type="text"/> |
| Amount of Glengarry Options you will receive, based on your current CUR optionholding | <input type="text"/> |

C Contact Details

Please provide your contact details in case we need to speak to you about this Form.

Name/email address of contact person

Contact person’s daytime telephone number

| | |
|----------------------|----------------------|
| <input type="text"/> | <input type="text"/> |
|----------------------|----------------------|

D Sign here – this section must be signed for your instructions to be executed

I/We accept the offer made by Glengarry Resources Limited for my/our CUR Options. I/we agree to be bound by the terms and conditions of the Offer and transfer all of my/our CUR Options to Glengarry Resources Limited for the above consideration.

Individual or Securityholder 1

Securityholder 2

Securityholder 3

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

How to complete this form

Acceptance of the takeover offer

| | | | |
|----------|--|-------------------|--|
| A | Registration Details The Options are currently registered in the name(s) printed on this form. Your Glengarry Options will be issued in the names that appear on the Centaurus Resources Limited register. | Power of Attorney | To sign under Power of Attorney, you must have already lodged this document with the Glengarry Resources Limited's share registry. Alternatively, attach a certified copy of the Power of Attorney to this form when you return it. |
| B | Consideration The consideration payable under the takeover offer is eight Glengarry Resources Limited Options for each of your CUR Options. | Deceased Estate | All executors must sign and, if not already noted by the Glengarry Resources Limited's registry, a certified copy of Probate or Letters of Administration must accompany this form. |
| C | 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. | Companies | This form must be signed by either two Directors or a Director and a Company Secretary. Alternatively, where the company has a Sole Director, and pursuant to the Corporations Act, there is no Company Secretary, or where the Sole Director is also the Sole Company Secretary, that Director may sign alone. Delete titles as applicable. |
| D | Signature(s) You must sign the form as follows in the space provided: Joint holding Where the holding is in more than one name all of the securityholders must sign. | | |

How to accept the Offer

If your CUR Options are held in an Issuer Sponsored Holding, simply complete and return this form to the Glengarry Resources Limited's share registry, Advanced Share Registry Services, so that it is received by no later than 5.00pm WST on 15 January 2010 unless extended.

If your CUR Options are in a CHESS holding, you may **contact your Controlling Participant** directly (normally your stockbroker) with instructions to accept the offer. If you do this, you will need to sign and return this Acceptance Form to your Controlling Participant. If you want Glengarry Resources Limited to contact your Controlling Participant on your behalf via the CHESS system, please sign and return this Form to Glengarry Resources Limited's share registry, Advanced Share Registry Services, so that it is received no later than 5.00pm WST on 15 January 2010 unless extended.

If you sign and return this Form to Advanced Share Registry Services, either in respect of an Issuer Sponsored Holding or so that contact may be made with your Controlling Participant on your behalf, you warrant to Glengarry Resources Limited (and authorise Glengarry Resources Limited to warrant on your behalf) that you have full legal and beneficial ownership of the CUR Options and that Glengarry Resources Limited will acquire them free from all mortgages, charges, liens, encumbrances (whether legal or equitable), restrictions on transfer of any kind and free from any third party rights.

Neither Glengarry Resources Limited nor Advanced Share Registry Services will be responsible for any delays incurred by this process. You should allow sufficient time for the preferred party to initiate the acceptance of the offer on your behalf.

Lodgement of Acceptance Form

This Acceptance Form must be received at the Perth office of Advanced Share Registry Services by no later than 5.00pm WST 15 January 2010. Return this Acceptance Form to:

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OR

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If you have any enquiries concerning the Offer please contact Advanced Share Registry Services: within Australia on 08 9389 8033 or outside Australia on + 61 8 9389 8033.

Please note this Form may not be used to change your address.

Please return the completed form in the envelope provided or to the address opposite:

Advanced Share Registry Services
PO Box 1156
Nedlands WA 6909



Glengarry Resources Limited ACN 009 468 099

Notice of people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Corporations Act

To: ASX Limited

In accordance with paragraph 633(4) of the Corporations Act 2001 (Cth) ("**Act**"), Glengarry Resources Limited ACN 009 468 099 has set 5.00pm (Perth time) on 3 December 2009 as the time and date for determining the people to whom information is to be sent under items 6 and 12 of subsection 633(1) of the Act in relation to its off-market takeover bid for all of the ordinary shares and all of the bid options in Centaurus Resources Limited ACN 120 281 969, as described in its bidder's statement dated 3 December 2009.

Date: 3 December 2009

Signed for and on behalf of Glengarry Resources Limited by

Darren Gordon
Managing Director