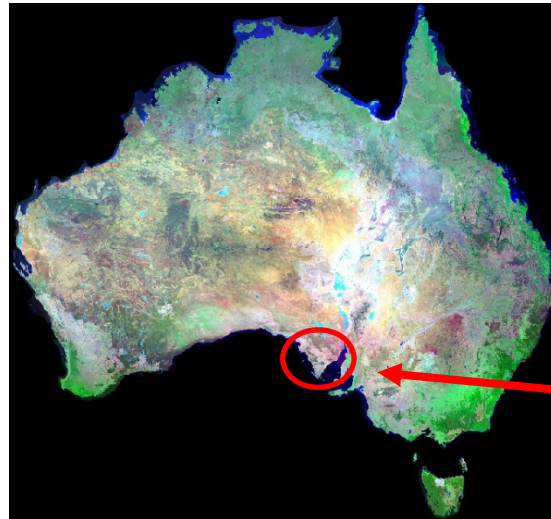




**CENTREX METALS**  
LIMITED

## An Emerging Iron Ore Producer, Unlocking the Value of the Eyre Peninsula Iron Ore



The Eyre Peninsula; A developing iron ore hub

**Jim White**

**Managing Director**

**Centrex Metals Limited**

## **Forward Looking Statements**

*These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to, the Company.*

*Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.*

*Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based.*

*Forward looking statements include, but are not limited to, statements concerning Centrex's planned exploration program, targeted resources, commencement of exporting product and other statements that are not historical facts. When used in this document, the words such as "could", "target", "plan", "estimate", "intend", "may", "aim", "potential", "should", and similar expressions reflected in these forward-looking statements are reasonable, such as statements involving risks and uncertainties and no assurance can be given that actual results be consistent with these forward-looking statements.*

## **Competent Person's Statement**

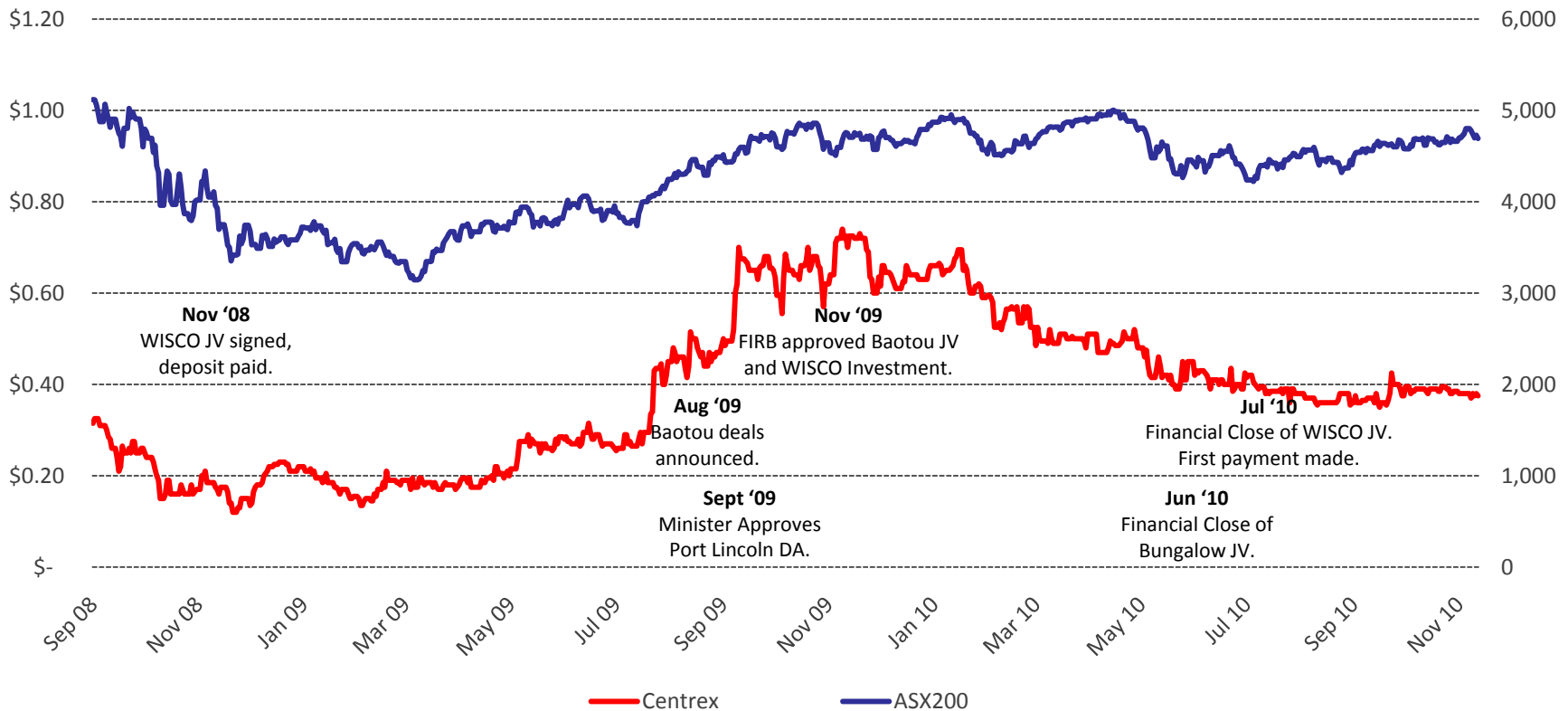
*The information in this report relating to Exploration Results is based on information compiled by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is the Exploration Manager of Centrex Metals Limited. Mr Watts has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.*

## Key Statistics (12 November 2010)

Share Price	\$0.375
Market Cap	A\$116m
Cash	A\$59.5m
Future Unconditional Cash Payments (pre-tax)	A\$26.0m
Debt	Nil

## Substantial Shareholders

South Cove	26.1%
WISCO	13.0%
Baotou Iron & Steel	7.1%
SEL Holdings	5.1%



## Directors

David Klingberg AO	Chairman
Jim White	Managing Director
Graham Chrisp	Non-Executive Director
James Hazel	Non-Executive Director
Geoffrey Hill	Non-Executive Director
Kiat Poh	Non-Executive Director
Xiaopeng Yin	Non-Executive Director

## Key Management

Kevin Malaxos	Chief Operating Officer
Gavin Bosch	Company Secretary
Alastair Watts	Exploration Manager
Ben Hammond	COO Eyre Iron

## Chairman – David Klingberg AO

- 34 years international experience as a professional engineer in infrastructure and mining.
- Ex CEO of a major design and construction management company.
- Experienced public company Chairman and Director, currently on five boards.
- Past and present member of a number of SA government boards, currently Chair of the Premier’s Climate Change Council and member of Renewables SA.

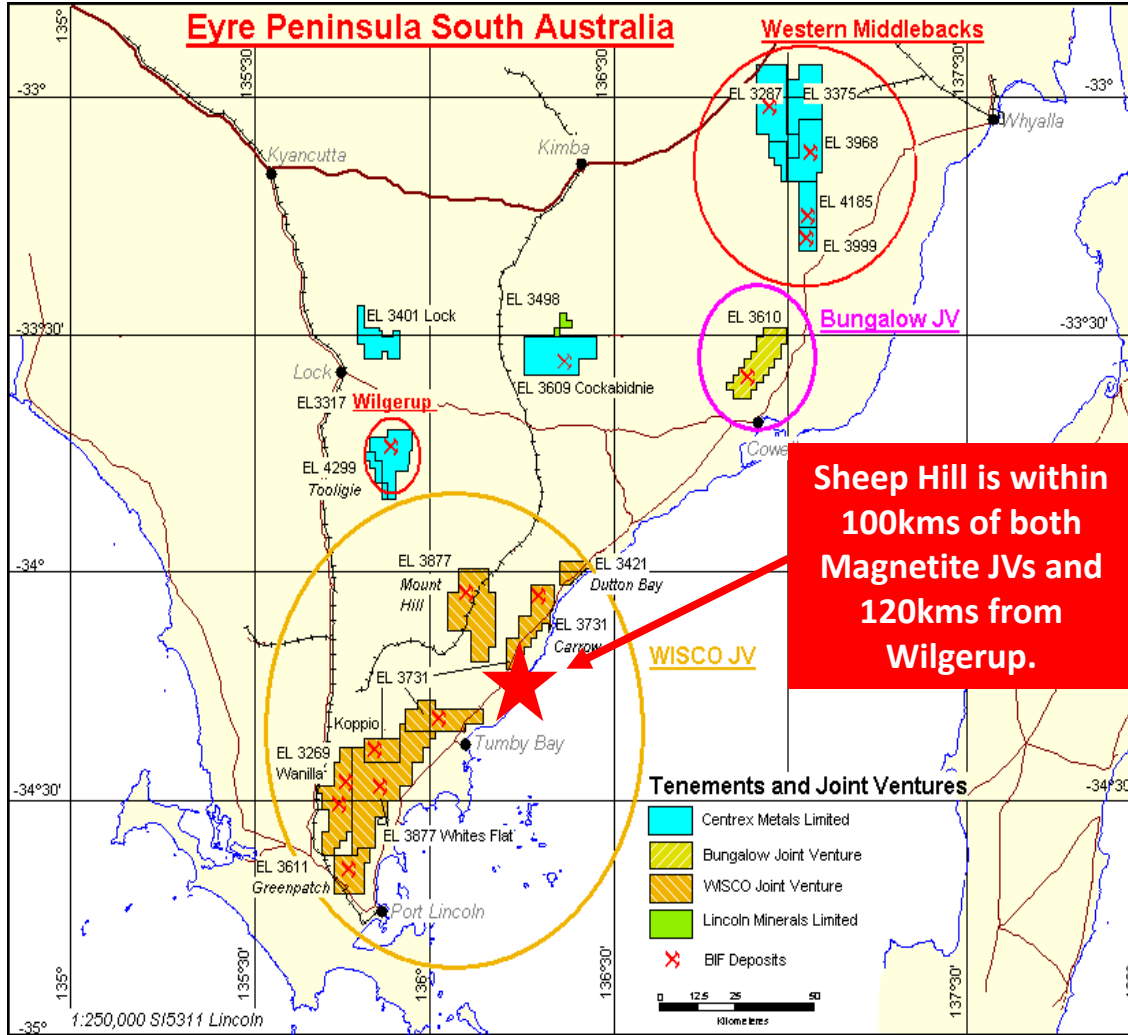
## New Managing Director – Jim White

- 36 years experience in the iron ore and steel industries, with a focus on South Australia.
- EX GM of the Whyalla steelworks including origination of Project Magnet.
- Experienced in exploration, mine development, mineral processing, iron and steel manufacturing and steel products production and use.
- Member of the Premier’s Climate Change Council, the Resources and Energy Infrastructure Council and the Board of the SA Chamber of Mines and Energy.

- **Magnetite JVs fully funded to feasibility**
- **JV partners are major international steelmakers in need of magnetite concentrate**
- **Objective, >500Mt Inferred Resource by 2012<sup>(1)</sup>**
- **Magnetite JVs near existing infrastructure**
- **Large capacity, long term port solution**
- **Target first production by Q4 2014<sup>(2)</sup>**
- **Target magnetite concentrate production of up to 10Mtpa<sup>(2)</sup> by Q4 2015 with the potential for an additional 5Mtpa by Q3 2016**
- **Significant cash position - present cash of A\$60m, with A\$26m (pre tax) to come**

Note (1): Refer to Appendix 1 regarding exploration targets.

Note(2): See disclaimer regarding forward looking statements.



- Centrex holds the iron ore rights within 16 exploration licence areas on the Eyre Peninsula including:
  - 5 within the WISCO JV;
  - 1 in the Baotou JV;
  - 1 covering the Wilgerup project area;
  - 5 in the Western Middlebacks region; and
  - 4 further tenements.
  
- These assets are close to the oldest producing iron ore mines in Australia ( Middleback Ranges).

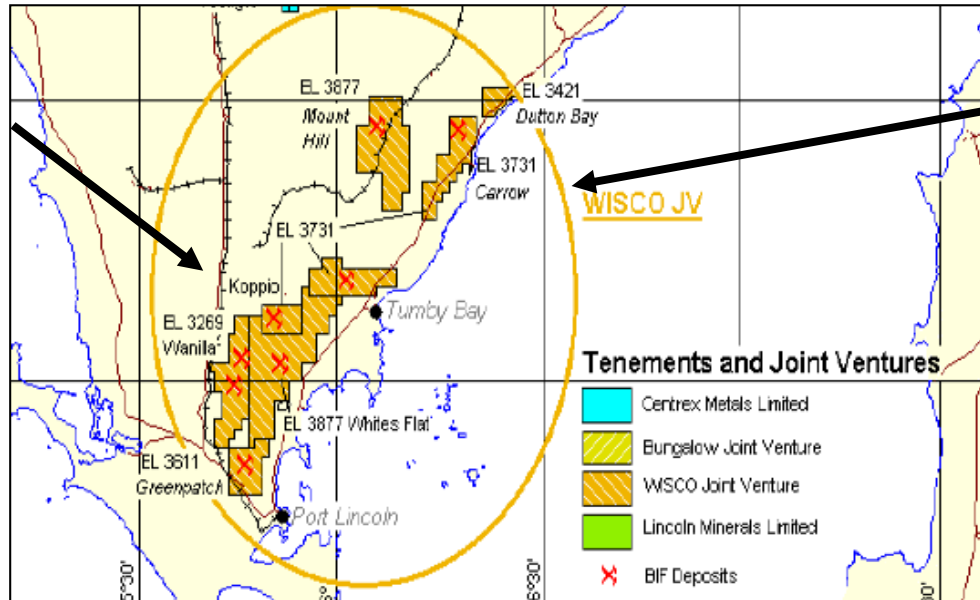
Centrex's projects are close to existing infrastructure

A joint venture with Wuhan Iron & Steel (Group) Corp (“WISCO”).

- WISCO is one of the top 5 steelmakers in China
- Unconditional payments (pre-tax) to Centrex of A\$51.5m (received July 2010) and A\$26m (due July 2011). This allows WISCO 60% of the iron ore resources in the tenement area.
- Four potential Inferred Resource milestone payments to Centrex each of A\$27m for each 250Mt exceeding 1,000Mt of Inferred Resource.
- WISCO to fund first A\$75m in exploration and study costs. The initial project is funded to bankable feasibility study. Centrex retains 40% interest in the project.
- WISCO will also provide financial and technical support to Centrex for project implementation.

- WISCO requires magnetite concentrate to support its existing ironmaking business.
- WISCO undertook a global search to invest in iron ore projects, with the aim of being self sufficient in sourcing iron ore.
- Centrex was chosen due to the potential of the exploration targets released in 2008 and the potential port solution.
- WISCO conducted independent assessments of the opportunity.
- The WISCO JV area contains almost 70kms of known magnetic BIF anomalies.
- The area already has a combined Inferred Resource of ~200Mt of magnetite BIF (from a strike length of only 6.5kms, which is less than 10% of the magnetic strike length in the JV area).
- WISCO expect that the initial targets have the potential for a >300Mt resource<sup>(1)</sup>, with the potential for a total resource of >500Mt<sup>(1)</sup> from the JV area.

Potential for an additional plant.



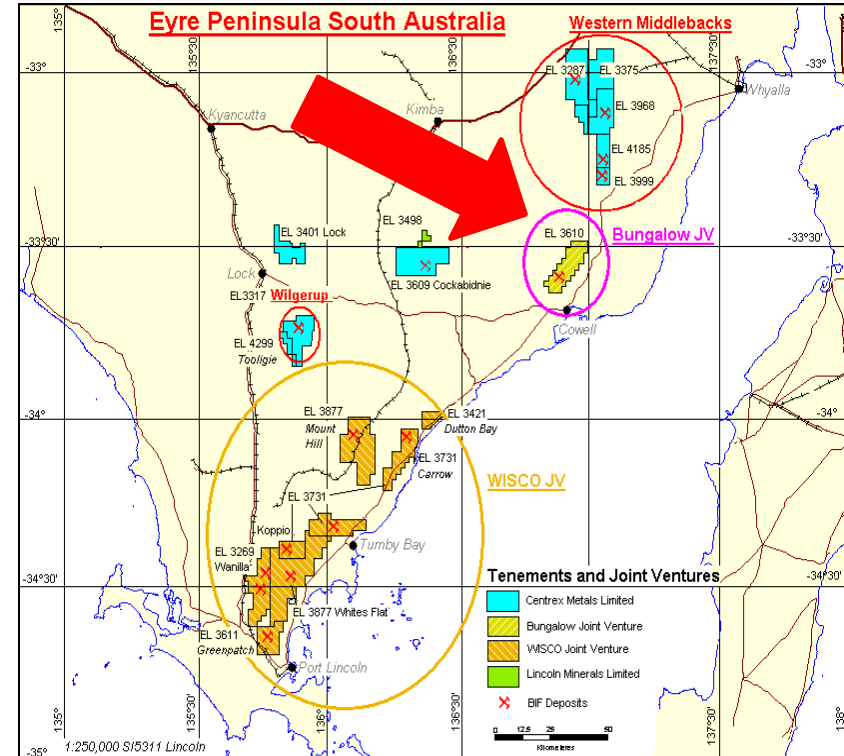
Initial Objective, >300Mt Inferred Resource by the end of 2011<sup>(1)</sup>.

Overall Objective, >500Mt<sup>(1)</sup> Inferred Resource and producing between 3 to 10Mtpa concentrate by Q4 2015<sup>(2)</sup>.

Note (1): Refer to Appendix 1 regarding exploration targets.  
 Note(2): See disclaimer regarding forward looking statements.

- The Baotou JV is a farm-In arrangement into the Bungalow tenement.
- Baotou Iron and Steel Group is amongst the top 10 steel producers in China, based in inner Mongolia.
- Baotou is seeking to use the magnetite in its steel making process.
- Baotou presently owns 10% of the Bungalow tenement and has the potential to earn up to 50%, subject to meeting the required hurdles and Baotou confirming funding for stages 2 and 3.
- Baotou will also provide financial and technical support.

- The Bungalow tenement is located less than 100kms north-east of Sheep Hill port site.
- The Baotou JV has commenced its scoping study.
- The Baotou JV has an objective of defining an Inferred Resource of >200Mt<sup>(1)</sup> by late 2011-early 2012, with PFS commencement immediately following resource definition.
- It is anticipated that subject to agreement between the joint venture parties, the BFS could commence in late 2012-early 2013.
- The Baotou JV is presently targeting production of up to 5Mtpa by Q3 2016<sup>(2)</sup>.



Note (1): Refer to Appendix 1 regarding exploration targets.  
 Note(2): See disclaimer regarding forward looking statements.



## Cape Vessel Direct Loading

- 20m depth within 500m of the shoreline.
- Direct loading of Cape Vessels (~200,000dwt).

## Low Capex

- ≈\$150 million estimate, including site establishment & road access.

## Location

- Away from populated areas and aquaculture.
- Low environmental impact compared to other options.

## Community Support

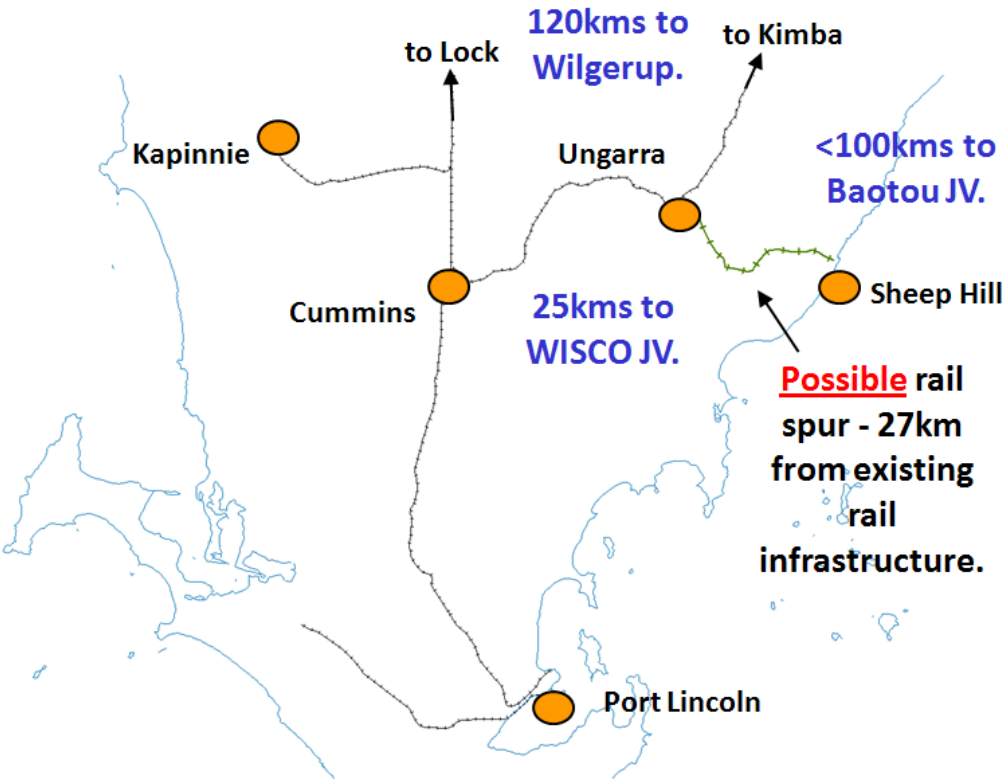
- Support from the SA Government & District Council of Tumby Bay.

## Mining and Rural Sector Spin Offs

- Potential multi user facility including mining and rural industries.

## Proximity to Infrastructure

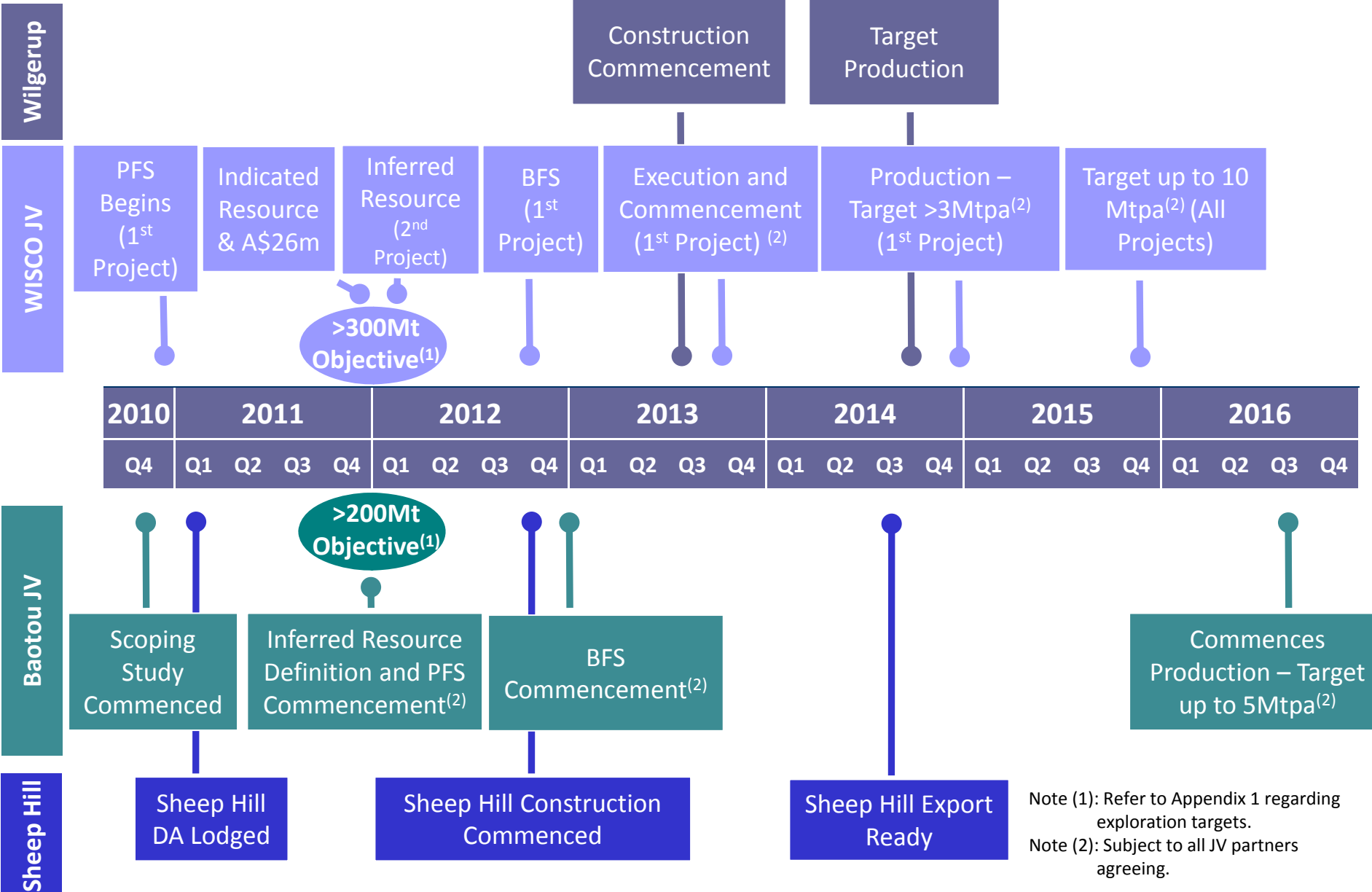
- Within 27kms of existing rail network.
- Sheep Hill is included in the Infrastructure Australia - Infrastructure Priorities Table.



## Proximity to Centrex's Tenements

- The Sheep Hill site is within 25kms of the WISCO JV, <100kms of the Baotou JV and 120kms of Wilgerup.
- Magnetite is likely to be transported to port via a slurry pipeline.

# Indicative Timetable



Note (1): Refer to Appendix 1 regarding exploration targets.  
 Note (2): Subject to all JV partners agreeing.

## Market Enterprise Value

Capitalisation

Share Price (\$A) <sup>(1)</sup>	\$0.375
Shares Outstanding (m)	310.3
<b>Market Cap (A\$m)</b>	<b>\$116.4</b>
Cash (A\$m) <sup>(2)</sup>	\$59.5
Unconditional Future Cash (A\$m) <sup>(3)</sup>	\$26.0
Debt (A\$m) <sup>(4)</sup>	-
<b>Enterprise Value (A\$m)</b>	<b>\$30.8</b>

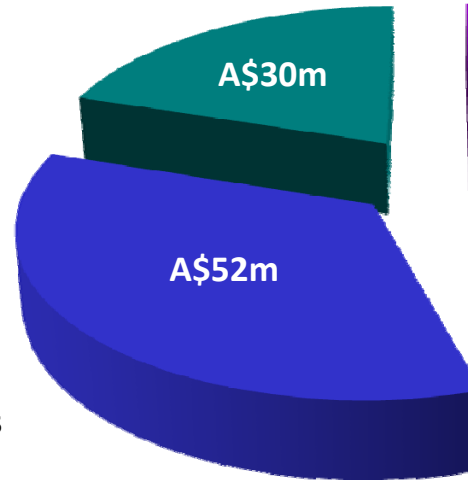
Note (1) As at 12 November 2010.  
 Note (2) As at 7 July, 2010.  
 Note (3) A\$26m pre-tax unconditional payment from WISCO due July '11.  
 Note (4) As at 30 June 2010 quarterly.

## Where Is Centrex's Value?

The value implied by the Magnetite JVs is significantly higher than the enterprise value that the market presently attributes to Centrex's projects.

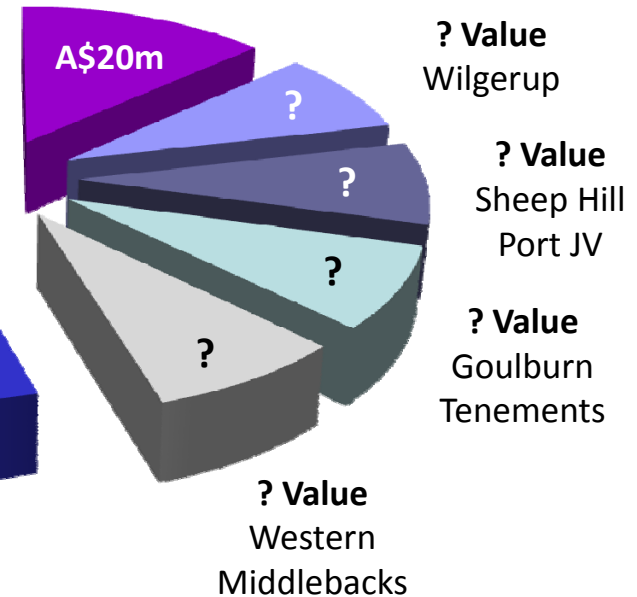
WISCO will fund \$75m for a development program, to maintain a 60% interest.

**Centrex free carry = A\$30m**



Baotou may spend A\$40m to earn a 50% interest.

**Centrex free carry = A\$20m**



## Centrex is:

- Aiming to **deliver >500Mt<sup>(1)</sup> of magnetite Inferred Resources**
- In a **strong financial position** from which it can develop its existing projects
- **Magnetite JVs near existing infrastructure**
- **Developing a deep water port solution**
- **Undervalued, with the potential to unlock significant value** through its Magnetite JVs which are funded through to feasibility
- **Offering long term value beyond resource definition** through the Magnetite JVs<sup>(2)</sup>
- **Likely to yield product which is in high demand** from its JV partners and **other customers**
- **Seeking to expand its portfolio**
- **Managed by a capable and experienced team**

Note (1): Refer to Appendix 1 regarding exploration targets.

Note (2): Target production 3-15Mtpa.



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## **Contact Us**

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**Managing Director**

**Gavin Bosch**

**Company Secretary**



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## **Appendix 1: Exploration Target Information**

Anomaly	DTS (%)	Fe conc grade range (%)	Inferred Resource (including hematite) (Mt)	Exploration Target range (including Inferred Resource) (Mt)	Average true thickness based on intercepts > 20% DTS magnetite (m)	Vertical extent of oxide zone below ground level (m)	Assumed dip of BIF (deg)	Dip extent of magnetite to BIF (excl oxide zone) 200m below ground level (m)	Strike length of anomaly based on aeromagnetic anomaly (m)	BIF density (g/cm <sup>3</sup> )	Number drillholes
Iron Mount	37.2	63.0 to 70.0	7	26 to 39	33.1	60.0	70	149	1,562 to 2,339	3.4	1
Brennand	25.4	63.0 to 70.0	0	40 to 176	24.4 #1	41.8 #1	30 to 80	161 323	3,015 to 5,343	3.4	1
Koppio	29.6	63.0 to 70.0	40	57 to 74	24.4	41.8	80	161	790 to 1,410	3.4	1
Bald Hill - East	27.7	63.0 to 70.0	29	257 to 325	24.4	23.4	70	186	4,531	3.4	1
Bald Hill - West					30.0	33.8	40	272	9,254	3.4	1
Charlton Gully - A			0	244 to 290	24.4 #2	23.4 #2	70 #2	186	4,050	3.4	
Charlton Gully - B					30.0 #3	33.8 #3	40 #3	272	6,550 to 8,190	3.4	
Greenpatch	26.7	63.0 to 70.0	88	78 to 163	45.1 to 80.0	26.0 to 41.7	45 to 64	195 225	2,663	3.4	11
Dutton Bay - North			0	32 to 57	37.2 #4	50.0	90	150	1,290	3.4	
Dutton Bay - South					37.2 #4	50.0	90	150	1,710	3.4	
Carrow - A	31.2	63.0 to 70.0	56	86 to 110	63.7	43.0	60	173	835	3.4	15
Carrow - B					37.2	39.9	65	177	2,472 to 2,472	3.4	
Mount Hill - A			0	266 to 1,048	30.0 to 75.0	50.0	90	150	17,370	3.4	
Mount Hill - B					30.0 to 75.0	50.0	90	150	11,990	3.4	
Bungalow - A	38.0	63.0 to 70.0	29	127 to 417	42.6 to 75.9	62.0 to 74.0	60 to 90	195 298	2,479	3.4	30
Bungalow - B					42.6 to 75.9	62.0 to 74.0	60 to 90	195 298	2,614	3.4	
Bungalow - C					14.4 to 33.3	62.0 to 74.0	60 to 90	195 298	3,709	3.4	

248 1,213 to 2,699

### Notes

- #1 assumed same as Koppio
- #2 assumed same as Bald Hills West
- #3 assumed same as Bald Hills East
- #4 assumed same as Carrow

76,884 to 82,249

*The potential quantities and grades presented are conceptual in nature. There has been insufficient exploration to define an overall Mineral Resource and it is uncertain if further exploration will result in the determination of additional Mineral Resources other than those stated.*



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## **Appendix 2: Sheep Hill**

