



QUARTERLY REPORT

3 Months Ending 30 June 2012

Highlights:

Cash

- A\$63.6 million as at 30 June, 2012.
- The current studies for the iron exploration and development joint venture studies are fully funded and do not require cash from Centrex.

Project Fusion (*SA Eyre Peninsula magnetite iron JV with Wuhan Iron and Steel Group (WISCO); WISCO 60%, Centrex 40%*)

- Scoping study for Project Fusion (incorporating nearby proposed Port Spencer) completed with positive results.
- JV commences A\$45m definitive feasibility study (DFS), scheduled for completion early in 2013.
- 499Mt total Inferred and (maiden) Indicated Mineral Resource milestone announced.
- Onsite community liaison officer engaged to enable closer communication with Eyre Peninsula stakeholders.

Bungalow Joint Venture (*SA Eyre Peninsula magnetite iron JV with Baotou Iron and Steel Group (Baogang); Centrex 70%, Baogang 30%*)

- Pre-feasibility study progressed, with expected completion late in 2012.
- JV announces 230% increase in Bungalow Mineral Resource from Inferred estimate to a 338Mt Measured, Indicated and Inferred resource with an average grade of 29.6% Fe head, 69.7% Fe concentrate and 34.3% Davis Tube Recovery.
- Stage 1 of the Bungalow stakeholder engagement process commenced.

Port Spencer Joint Venture (*WISCO 50%, Centrex 50%*)

- Public exhibition period held in relation to the Port Spencer Public Environmental Report (PER).
- Submissions in response to the PER received from stakeholders including the local community and government regulators.
- Response Report prepared and under final review prior to formal submission to the SA Government to make final determination as to whether the Port Spencer Development Application will be approved.

Safety

- Zero Lost Time Injuries for Centrex staff and contractors for the quarter.
- Roll out of traffic management recommendations commenced as a result of workshops held with the local community.

1. CORPORATE

Centrex retains a strong cash position with free cash in excess of A\$60 million. This cash is not required for ongoing project development as all current studies are fully funded.

As a result of an internal review, Centrex reassigned several key management employees. This resulted in a strengthening of both the project management expertise at the Fusion iron project and of the corporate expertise within Centrex. The enhanced position will permit Centrex to pursue the twin goals of retaining a strong focus on the ongoing development of its core assets, whilst also pursuing further opportunities in order to strengthen the project pipeline.

2. JOINT VENTURE ACTIVITIES

Activities on SA's Eyre Peninsula focused on the Eyre Peninsula Joint Venture with WISCO, the Bungalow Joint Venture with Baogang and the Port Spencer Joint Venture with WISCO.

2.1. Eyre Peninsula Joint Venture (WISCO 60%, Centrex 40%)

The Eyre Peninsula Joint Venture announced the completion of its scoping study for the Fusion Magnetite Iron Project including the development of the proposed new Port Spencer bulk commodities port. Results from the combined scoping study were released to the market on 3 May 2012.

Work has since commenced on a \$45m definitive feasibility study, scheduled for completion early in 2013.

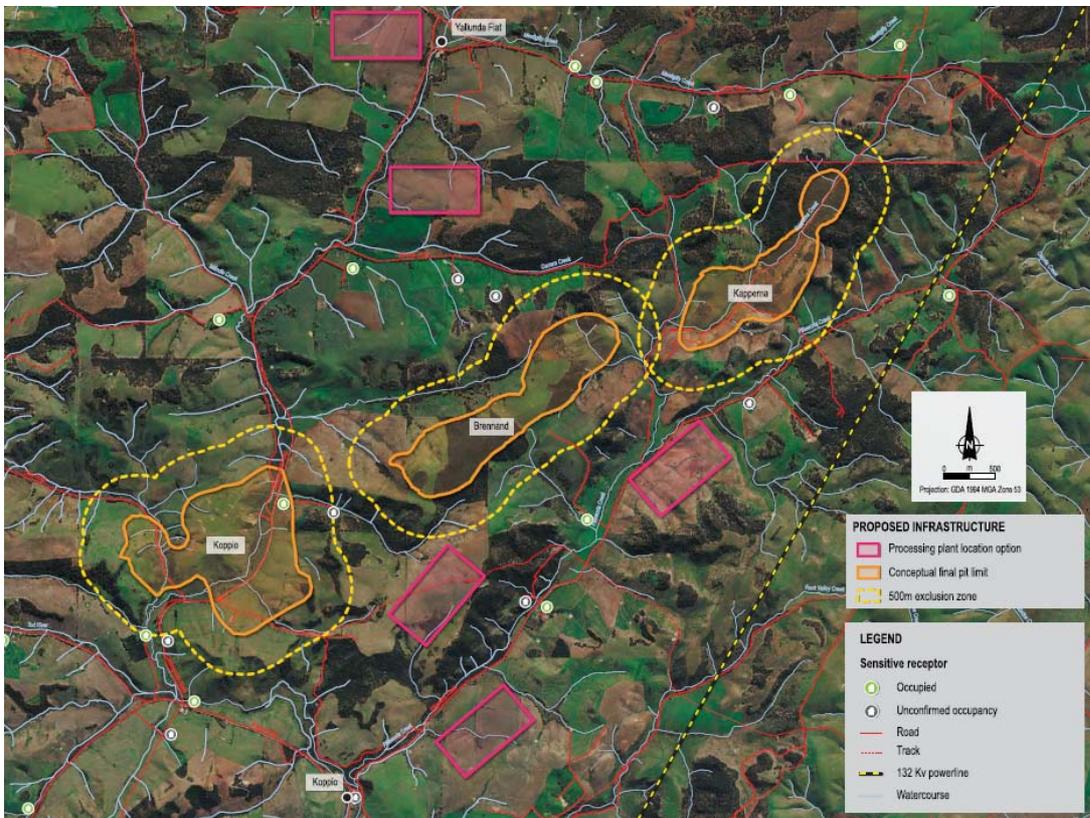


Figure: Potential processing plant locations and conceptual final pit limits for Koppio, Brennand and Kapperna deposits.

The first Indicated Mineral Resource estimate was announced for Fusion during the quarter. The 54.5 million tonne (Mt) ^A Indicated Mineral Resource relates to Fusion's Koppio deposit and is a significant milestone for the Joint Venture. This takes the total Inferred and Indicated mineral resource for Fusion to 499 Mt.

Eyre Peninsula continues its focus on resource definition for the Fusion project with almost 23,000m of mainly diamond drilling and geotechnical drilling completed during the quarter primarily on the Kapperna deposit. Resource updates from this drilling are expected next quarter as Exploration Target areas are drilled out to determine Mineral Resources.

Water bore drilling commenced during the quarter, with 976m drilled, across the three deposits within the Fusion project. Further drilling will be undertaken next quarter to complete the program, followed by pump test work.

2.2. Bungalow Joint Venture (*Centrex 70%, Baogang 30%*)

The Bungalow Joint Venture is on schedule and budget to complete the pre-feasibility study in 2012.

Independent AMC Consultants completed the interpretation and estimation of the new Mineral Resource model as announced on the 25th May. The new Resource model is the culmination of a significant body of work over the past 2 years and will form the basis of the pit optimisation study due late in 2012. Bungalow's combined Measured, Indicated and Inferred Mineral Resource is 338Mt. (1).

WorleyParsons has managed the metallurgical test work program being conducted by Amdel laboratories in Adelaide and Perth. The bulk of the test work is now complete including the grind variability testing, dry cobbing, LIMS, WHIMS and silica and sulphide flotation on the various ore types. High Pressure Grinding Rolls (HPGR) test work was completed by Polysius in Perth with slurry rheology and dewatering testwork nearing completion with Outotec Laboratories, also in Perth.

WorleyParsons has commenced the process engineering studies and is on schedule for a November completion date.

Golder Associates is assisting Centrex with the stakeholder consultation process whereby the first information sheet was distributed to local community stakeholders on Eyre Peninsula. Landowner consultation has commenced and community focus group meetings are planned for the next quarter.

The environmental geochemical kinetic testing and baseline air quality and ground water monitoring are continuing.

ElectraNet's electricity transmissions group has completed the Connection Options Report which provided a high level assessment of the available connection options for the Bungalow project.

2.3. Proposed Port Spencer Deep Water Port (*WISCO 50%, Centrex 50%*)

Port Spencer is a proposed deep water export facility capable of accommodating Cape class vessels. The planned site for Port Spencer, northeast of Port Lincoln, is in close proximity to Centrex's other iron ore development interests on the Eyre Peninsula.

The Port Spencer 50/50 joint venture agreement between Centrex and WARI was signed on 9 March 2012. WARI is a wholly owned subsidiary of WISCO. The signing is a significant milestone for the Port Spencer project as Directors believe it represents a vote of confidence by WISCO in the mining JV (Eyre Peninsula) and in the associated infrastructure development.

The final outstanding condition precedent to the formal commencement of the joint venture is approval by the National Development and Reform Commission (NDRC) in China. This approval is expected in August this year, after which the joint venture will commence a design feasibility study.

Centrex and Golder Associates have completed the Port Spencer PER. This was released for public comment on 9 March 2012 by SA's Minister of Planning, the Hon. John Rau. The public consultation period ran for 7 weeks, concluding on 27 April 2012.

Centrex received 12 submissions from a wide variety of stakeholders. Centrex has now addressed all the questions raised in these submissions and is in the final review stages prior to formal submission to the SA, expected early in August.

Centrex has commenced preparation for performing offshore drilling to confirm ground conditions for construction of the jetty. Licence applications are in the final stages of approval and once obtained, this work is expected to commence late in August.

3. EXPLORATION ACTIVITIES

3.1. Goulburn Project (base metals/gold – NSW)

- The Goulburn and Archer tenements cover an extensive area of 291 km² with a number of base metal, gold and iron deposits and occurrences.
- Centrex has identified a number of prospective targets and has commenced discussions with landowners for access.
- Subject to these discussions with the landowners an initial drill program has been tentatively planned for later in 2012.

3.2. Western Middleback Iron Ore Tenements (hematite/magnetite – Eyre Peninsula, SA)

No significant activities were undertaken in the Western Middleback tenements during the period under review.

4. OTHER ACTIVITIES

Wilgerup hematite project (Eyre Peninsula, SA)

This 100% Centrex owned proposed hematite iron mine is fully approved and will be developed in line with development of Port Spencer. No further activities were undertaken in the quarter in relation to the proposed Wilgerup hematite Direct Shipping Ore (DSO) mine.

5. FINANCIAL

Cash at end of Quarter

Cash at 30 June 2012 was **A\$63,623,536**.

6. PRODUCTION

No production was undertaken at any of the Company's tenements during the quarter.

7. TENEMENTS

7.1. Tenement Locations

The Company and its wholly owned subsidiaries hold the following tenements:

Northern Eyre Peninsula

Gilles Downs EL 4571
Bungalow/Minbrie EL 4884
Kimba Gap EL 3968
Ironstone Hut EL 3999
Whyalla ('Ironstone Hill') EL 4185
Stony Hill EL 4451
Lock EL 4588
Cockabidnie EL 4883

Southern Eyre Peninsula

Wanilla EL 4384
Wilgerup EL 4467
Greenpatch EL 4885
Dutton Bay EL 4605
Bald Hill EL 3877
Carrow EL 3731

New South Wales

Goulburn (NSW) EL 7388
Archer (NSW) EL 7503

7.2. Mining Tenements Disposed of

During the quarter the Company disposed of Tooligie Range EL 4299 in the Southern Eyre Peninsula region.

In addition, a number of tenement areas were partially surrendered during the quarter from EL 4384 Wanilla, ELA 2011-1511 Greenpatch, EL 4571 Gilles Downs and EL 3877 Mount Hill.

Attached is the Appendix 5B Statement of Cash flows for the period from 1st April 2012 to 30th June 2012.

For further information, please contact Phillip Staveley at Centrex Metals Limited on (08) 8100 2200.



Phillip Staveley
General Manager
Centrex Metals Limited

Competent Person's Statement(s)

The information in this report relating to Exploration Results for Centrex Metals Limited is based on information compiled by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is a geologist and Exploration Manager of Centrex Metals Limited. Mr Watts has sufficient experience, which is relevant to the style of mineralisation 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 appears.

The information in this report relating to Exploration Results for Eyre Iron Pty Ltd is based on information compiled by Mr Ben Hammond who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hammond is a geologist employed by Centrex Metals Limited and is the Chief Operating Officer of Eyre Iron Pty Ltd. Mr Hammond has sufficient experience, which is relevant to the style of mineralisation 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 Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

⁽¹⁾The information in this report relating to Mineral Resources is based on and accurately reflects information compiled by Ms Sharron Sylvester of AMC Consultants Pty Ltd who is a consultant and adviser to Centrex Metals Limited and who is a Member of the Australian Institute of Geoscientists (RPGeo). Ms Sylvester has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity she 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". Ms Sylvester consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

⁽²⁾The information in this report relating to Mineral Resources is based on and accurately reflects information compiled by Mr Alan Miller of Golder Associates who is a consultant and adviser to Eyre Iron Pty Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Miller 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 Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

⁽³⁾The information in this report relating to Mineral Resources is based on and accurately reflects information compiled by Mr Alex Virisheff of Coffey Mining Limited who is a consultant and adviser to Eyre Iron Pty Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Virisheff 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 Virisheff consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

CENTREX METALS LIMITED

ABN

97 096 298 752

Quarter ended ("current quarter")

30 JUNE 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	30	39
1.2 Payments for (a) exploration & evaluation (b) development (c) production (d) administration	(113) - - (384)	(325) - - (9,447)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,146	4,127
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / received	(13,513)	(13,136)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(12,834)	(18,742)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (8)	- - (141)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	26,000 - 35
1.10 Loans to other entities	(464)	(1,830)
1.11 Loans repaid by other entities	361	1,704
1.12 Other (provide details if material)	-	-
Net investing cash flows	(111)	25,768
1.13 Total operating and investing cash flows (carried forward)	(12,945)	7,026

+ See chapter 19 for defined terms.

For personal use only

1.13	Total operating and investing cash flows (brought forward)	(12,945)	7,026
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
Net financing cash flows		-	-
Net increase (decrease) in cash held		(12,945)	7,026
1.20	Cash at beginning of quarter/year to date	76,569	56,598
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	63,624	63,624

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	216
1.24	Aggregate amount of loans to the parties included in item 1.10	464

1.25 Explanation necessary for an understanding of the transactions

Transactions included in the value disclosed at item 1.23 include (\$A'000):	
Director's fees (including superannuation).	\$168
Asiasphere Pty Ltd (consultant director)	\$18
Wugang Australian Resources Investment P/L (consultant director)	\$15
Bynoe Investments Pty Ltd (consultant director)	\$15

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

--

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

(\$A'000):

+ See chapter 19 for defined terms.

For personal use only

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	96
4.2 Development	-
4.3 Production	-
4.4 Administration	1,531
Total	1,627

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	322	262
5.2 Deposits at call	1,531	18,658
5.3 Bank overdraft		
5.4 Other (term deposits with maturity >90days)	61,771	57,949
Total: cash at end of quarter (item 1.22)	63,624	76,569

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	4299	Tooligie Range	100%	0% Tenement relinquished
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

For personal use only

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference +securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	313,600,904	313,600,904		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				

+ See chapter 19 for defined terms.

For personal use only

7.7	Options <i>(description and conversion factor)</i>	<p>① 2012 Employ Options Expiring 30/06/12</p> <p>② 2014 Employ Options Expiring 30/06/14</p> <p>③ 2014 Employ Performance Rights vesting 30/06/14 (subject to performance hurdles)</p> <p>④ 2014 Employ Retention Rights vesting 30/06/14 (subject to retention hurdles)</p> <p style="text-align: center;"><u>Period end balance:</u></p> <p>① -</p> <p>② 750,000</p> <p>③ 1,800,000</p> <p>④ 800,000</p>		\$0.42	
				\$0.42	
				Nil	
				Nil	
7.8	Issued during quarter	<p>① -</p> <p>② -</p> <p>③ -</p> <p>④ -</p>	<p>① -</p> <p>② -</p> <p>③ -</p> <p>④ -</p>		
7.9	Exercised during quarter	<p>① -</p> <p>② -</p> <p>③ -</p> <p>④ -</p>	<p>① -</p> <p>② -</p> <p>③ -</p> <p>④ -</p>		
7.10	Expired during quarter	<p>① 1,682,000-</p> <p>② -</p> <p>③ -</p> <p>④ -</p>	<p>① -</p> <p>② -</p> <p>③ -</p> <p>④ -</p>		
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).

For personal use only

2 This statement does /does not* (delete one) give a true and fair view of the matters disclosed.

Sign here:  Date: 31 July 2012
(Company Secretary)

Print name: Ms Alison Evans

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

=====

+ See chapter 19 for defined terms.

For personal use only