

SPECIAL DIVIDEND

General Manager

13th February 2013

The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

CENTREX METALS TO PAY FULLY FRANKED SPECIAL DIVIDEND OF FIVE CENTS PER SHARE

Highlights

- Centrex announces special dividend
- The special dividend will be in the amount of five cents per share
- Total amount of special dividend is \$15.7 million
- The special dividend will be fully franked

Discussion

The Board of Centrex Metals Limited ("Centrex") is pleased to declare a fully franked special dividend of five cents per share.

The dividend follows the completion of a review of its capital management opportunities, first mentioned at the 2012 Annual General Meeting by the Chairman. This review took into account the cash requirements for development of existing assets and additional opportunities. As a result of this review, the Board has determined that Centrex holds cash reserves surplus to its current and medium term requirements and accordingly, has resolved to return the excess to shareholders via a special dividend. The timetable for payment is shown on the following page.

This special dividend will represent a return of \$15.7 million to shareholders and leave Centrex with cash reserves of \$47.6 million.

The Board is confident that Centrex will continue to be able to pursue its strategy with the funds remaining after the dividend has been paid.

The Board opted for a fully franked dividend as Centrex is entitled to \$13.5 million franking credits. The payment of a fully franked dividend gives shareholders access to a portion of these franking credits in a shorter timeframe than would otherwise be the case.

A critical element of the medium term cash requirements relates to the development of Centrex's joint ventures. The Company signed a Heads of Agreement with Shandong 5th Geo-Mineral Prospecting Institute over its Goulburn base metal project last month. This was Centrex Metal's third Chinese backed investment, continuing its strategy of funding the early stage development of its projects through its international partnerships.

Centrex's most advanced joint venture is with Wuhan Iron & Steel (Group) Co. ("WISCO"), in which the Company holds a 40% interest. The joint venture has current Mineral Resources of 867Mt⁽¹⁾ of magnetite iron ore covering the flagship Fusion project, Carrow and Greenpatch. A Definitive Feasibility Study is underway at Fusion, with recent exploration drilling highlighting the potential to increase the project size and scope. WISCO and Centrex are working to finalise any alternate study program over the coming months. Recent work has costed a range of options for various scenarios. Some of the scenarios being considered may require further funding from Centrex. Whilst a decision on the final study scope has yet to be made, the quantum of the funding requirements for each alternative is now understood.

Centrex's Bungalow magnetite joint venture with Baotou Iron & Steel and the Goulburn base metals joint venture with Shandong, both contemplate the respective partners fully funding the projects through to project financing.

Project financing for any construction phase on the joint ventures is envisaged that it will be sourced with the assistance of Centrex's partners.

Timetable

Record date	[To identify shareholders entitled to the special dividend]	22 February 2013
Payment date		11 March 2013

Attached is a document explaining the steps for all shareholders to ensure that their details are current. Australian resident shareholders who do not provide their Tax File Numbers before the payment date will incur withholding tax on the dividend payment. To avoid this it is important that shareholders update their information as soon as possible.

⁽¹⁾ For further details on resources please refer to ASX Announcement 14th January 2013


For further information please contact:

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 For your security keep your SRN/HIN confidential

It is in your interest to provide us your securityholder information. To provide your information online please visit

www.computershare.com.au/easyupdate/cxm

If you do not have internet access, please call 1300 308 185 within Australia
of +61 3 9415 4181 outside Australia and provide your information over the phone.

Dear valued securityholder,

Following our announcement today regarding a special dividend I invite you all to update your details. This will ensure that your payment will be directed to the right address or alternatively if you supply your bank details payments can be made directly into your account.

Australian resident shareholders should also provide their tax file numbers in order to avoid the deduction of withholding tax from the payment.

Take advantage of the Easy Update website

To assist us with our commitment to the environment and our focus on cost control, we encourage you to provide your securityholder information online at www.computershare.com.au/easyupdate/cxm. The Easy Update service is fast, secure and will ensure you receive your payments on time. Please provide the following details as soon as possible:



Your payment instructions. Centrex Metals Limited payments are made by direct credit to nominated Australian financial institution accounts. If you do not provide your financial institution account information your payments will be received by way of cheque.



Your securityholder communication elections. The default option for receiving your annual report is via the company website. Information on accessing your online annual report will be provided in your notice of meeting and proxy form mail pack. You have the option of receiving, free of charge, a printed copy of the annual report or alternatively receiving your securityholder communications by email.



Your Tax File Number/Australian Business Number (TFN/ABN) and/or Exemption Codes. If you are an Australian resident or subject to Australia's taxation laws, it is in your interest to provide us your Tax File Number or Australian Business Number as soon as possible.

To access the secure Easy Update website enter your SRN/HIN located at the top of this letter. For security reasons you will be asked to choose a User ID and password. Please keep this information confidential.

If you do not have internet access, please call (if outside Australia, call +61 3 9415 4000) and follow the voice instructions to provide your securityholder information over the phone.

Centrex Metals Limited investor information

If you wish to find more information about Centrex Metals Limited visit www.centrexmetals.com.au for a comprehensive guide to our company, including annual reports, market announcements, share price data and other information.

Yours sincerely

Gavin Bosch
Company Secretary

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How to enter your securityholder information online



Your information checklist

Please ensure you have the following information in front of you before entering the Easy Update website:

- Your SRN/HIN number. This number is found on the front of this letter, at the top of the page.
- Your Tax File Number (TFN) or Australian Business Number (ABN) and/or appropriate Exemption Codes.
- Your nominated bank, building society or credit union account details.

STEP 1

Visit www.computershare.com.au/easyupdate/cxm

-  Do not enter the above URL directly into Google or your default search engine. Please type it into the address bar.
-  If you are having difficulties accessing the website please ensure you have entered the website address correctly and check your internet connection.

STEP 2

Provide your access details to enter the Easy Update website

- | | |
|-------------------------------|---|
| SRN/HIN | Note: A SRN (Securityholder Reference Number) begins with the letter 'I'.
A HIN (Holder Identification Number) begins with the letter 'X'. |
| Postcode or Country | Enter your postcode if you are an Australian resident, otherwise select your country from the menu. |
| Terms & Conditions | Read and agree with the terms and conditions. |

STEP 3

User ID

Choose a User ID and password for easy ongoing access.

If you've previously registered you'll be presented with your User ID. Simply enter your password and click 'submit' to enter Investor Centre.

STEP 4

Enter your securityholder information

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| Payment details | Enter your nominated bank, building society or credit union account details. |
| Securityholder Communications | The default option for receiving your annual report is via the company website.
Enter your Email address. |
| Tax information | Enter your Tax File Number (TFN) or Australian Business Number (ABN) and/or appropriate Exemption Codes. |

FINISH

Confirmation and receipt

- | | |
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| Confirmation | Please ensure the details you have entered are correct before clicking 'confirm'. |
| Finish | Record your receipt number. You will need to quote this number if you have any enquiries regarding your Easy Update transaction. |