

QUARTERLY REPORT

3 Months Ending 31 March 2013

Heads of Agreement signed for third joint venture with Chinese, special dividend to reward shareholders, business development ramps up...

Highlights

Corporate

- A\$ 46.5 million uncommitted cash as at 31st March 2013
- Maiden special dividend of A\$ 15.7 million paid to shareholders 11th March 2013
- Chief Development Officer Ben Hammond appointed as Acting CEO
- Former South Australian Senior Trade Commissioner to India AK Tareen appointed as advisor for Indian and South Asian investment

Goulburn Base Metals Joint Venture (Centrex 65%, Shandong 35%)

- Heads of agreement signed with Shandong 5th Geo-Mineral Prospecting Institute for joint venture over Goulburn Base Metals project in NSW
- Shandong to spend A\$ 2M on exploration to earn 35%
- Further options for Shandong to earn up to 80% by funding through to production

Eyre Iron Magnetite Joint Venture (Centrex 40%, WISCO 60%)

- Eyre Iron Joint Venture funds A\$ 11.1 million as at 31st March 2013
- Fusion magnetite iron ore Mineral Resources reach 680Mt
- Fusion magnetite project development options presented to partners for decision of final scope of Definitive Feasibility Study ("DFS")

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

- Additional information continuing to be prepared for submission for Federal Government approval under the EPBC Act

Bungalow Magnetite Joint Venture (Centrex 70%, Baotou 30%)

- Process engineering and infrastructure studies completed for Pre-Feasibility Study
- Delays to completion of mining studies holding up completion of Pre-Feasibility Study, now due mid-2013
- Inaugural drilling program at Centrex's 100% owned Kimba Gap project discovers a significant iron ore deposit just 50km north of Bungalow with potential to extend joint venture scope, increase project scale and lower overall unit costs

Wilgerup DSO Iron Ore Project (Centrex 100%)

- Gravity survey completed over eastern half of Wilgerup project identifying 6 new DSO targets

Gundaroo Gold-Base Metals Project (Centrex 100%)

- Exploration License Application made over a gold-base metals project located 10km west of the Goulburn Joint Venture in the Lachlan Fold Belt NSW

Safety

- Zero Lost Time Injuries for Centrex staff and contractors for the quarter

1. CORPORATE

Centrex continues to maintain a strong balance sheet with uncommitted cash of A\$ 46.5 million at the end of the quarter. This closing cash position comes after the payment of an inaugural A\$ 15.7 million special dividend to shareholders on the 11th of March. The special dividend resulted from a review of capital management initiatives by the Board. The outcome of the review determined it appropriate to return excess capital via a fully franked dividend of five cents per share as a reward to long-term shareholders.

Phil Staveley resigned his position as General Manager in February leading to the appointment of Centrex's Chief Development Officer Ben Hammond as Acting CEO. The Centrex Board continues to progress the appointment of a permanent CEO with the position likely to be determined by the end of the financial year.

The company appointed the recently retired South Australian Senior Trade Commissioner to India AK Tareen as an advisor for investment from India and South Asia. AK Tareen is based in India and will work exclusively for Centrex in the Australian minerals industry. The appointment of AK Tareen is a further step by Centrex to build and diversify its international partnerships in order to attract foreign investment into the Company's projects.

2. JOINT VENTURES**2.1. Goulburn Base Metals Joint Venture (Centrex 65%, Shandong 35%)**

Centrex announced its third significant Chinese backed joint venture during the quarter with a Heads of Agreement ("HOA") signed in January with Shandong 5th Geo-Mineral Prospecting Institute ("Shandong") over the Company's Goulburn Base Metals Project in NSW.

As announced on 15th of January key terms of the HOA include;

- Stage 1 Shandong to spend A\$ 2 million on an exploration program managed by Centrex to earn a 35% interest in the project
- Stage 2 Upon completion of the Stage 1 exploration program, an option for Shandong to take a 50% interest by funding the project through to a Bankable Feasibility Study ("BFS")
- Stage 3 Upon completion of a BFS Shandong has an option to take an 80% interest in the project in return for funding 100% of the project capital (Centrex to retain a 20% free carried interest through to production)

Centrex and Shandong expect to finalise detailed joint venture transaction documents next quarter. Final agreements will be subject to both Australian and Chinese Government approvals.

Upon completion of the joint venture the initial A\$ 2 million invested by Shandong will be utilised to carry out an approved diamond drilling program testing recently announced IP geophysical targets over the project. The IP targets lie on the edge of a large gravity anomaly and along strike from historically identified base metals mineralisation.

2.2. Eyre Iron Magnetite Joint Venture (Centrex 40%, WISCO 50%)

During the quarter Centrex announced an increase in magnetite Mineral Resources to 680Mt at Fusion, the flagship project of the Eyre Iron Magnetite Joint Venture on the Eyre Peninsula in South Australia. The increase came on the back of further drilling at the Brennand deposit within Fusion that was completed in late 2012. The updated Fusion estimate increased combined Indicated and Measured Resources to 312Mt. Overall the joint venture resources now stand at 894Mt incorporating the Fusion, Carrow and Greenpatch projects. Full details of the latest estimate can be found via the link below.

<http://www.asx.com.au/asxpdf/20130218/pdf/42d2m8n09wywwwg.pdf>

Further studies were completed by Eyre Iron Pty Ltd, the joint venture management company, to provide various development scenarios for Fusion to allow the partners to decide on the final Definitive Feasibility Study ("DFS") scope. These options include extending the project resource base to reduce unit costs and maximise infrastructure economies of scale. Under this scenario further drilling would be carried out over the Bald Hill deposit within Fusion. If the partners decide on this scenario then it will result in a likely 12 month minimum delay to the project schedule while drilling is carried out. Centrex is now expected to meet with its partner Wuhan Iron & Steel in China in mid-2013 to agree on the development scenario. The joint venture currently has A\$ 11.1 million remaining in contributions and interest earned which can fund further studies.

2.3. Port Spencer Joint Venture (Centrex 50%, WISCO 50%)

In December 2012 the South Australian government provided development approval for Stage 1 of the new multi-user deep water export facility on the east coast of the Eyre Peninsula in South Australia. Approval was granted subject to the outcome of the Commonwealth Environmental Protection & Biodiversity Conservation Act ("EPBC Act") application which currently lies with the Federal Government. The Federal Government has sought additional supporting information for the application that was completed during March and is ready for submission. A decision from the Federal Government is expected in June 2013.

Chinese Government Approvals that are a condition precedent of the Port Spencer Joint Venture with Wuhan Iron & Steel have been delayed as the transitional arrangements to the new Chinese Government continue.

2.4. Bungalow Magnetite Joint Venture (Centrex 70%, Baotou 30%)

Process design and infrastructure work for the Pre-Feasibility Study have now been completed for the Bungalow Magnetite Project located on the Eyre Peninsula in South Australia. Delays to completion of the Pre-Feasibility Study mining work has resulted in the completion date for the overall study being pushed out to mid-June.

During the quarter an inaugural drilling program at Centrex's 100% owned Kimba Gap project just 50km north of Bungalow identified an option to extend the joint venture scope to increase the project scale and lower overall unit costs. Further details on the Kimba Gap project can be found below.

3. BUSINESS DEVELOPMENT

3.1. Kimba Gap Magnetite Project (Centrex 100%)

A four hole diamond drilling program was undertaken at the Kimba Gap prospect approximately 50km north of the Bungalow Joint Venture on the Eyre Peninsula in South Australia. All drill holes intersected banded iron formation ('BIF'). The drilling program confirmed a new magnetite iron ore deposit comprising of two parallel outcropping limbs of BIF over a ~4km strike length.

Full assay and Davis Tube Recovery ("DTR") results were received for the first two holes of the program showing significant intersections of magnetite BIF capable of producing a high-iron low-silica magnetite concentrate. Final results and an Exploration Target for the project are expected next quarter.

3.2. Wilgerup DSO Iron Ore Project (Centrex 100%)

Results were received from a ground gravity survey completed in late 2012 over the relatively under-explored eastern half of the Wilgerup DSO iron ore project. The survey targeted anomalous gravity signatures of a similar nature to the existing Wilgerup DSO Mineral Resource. The work identified 6 new DSO drill targets. Consideration is currently being given to the optional path to advance the targets.

3.3. Gundaroo Gold-Base Metals Project (Centrex 100%)

The Gundaroo Gold-Base Metals Project ("Gundaroo") is located in the Lachlan Fold Belt NSW. The project consists of a number of historical gold and base metals occurrences within a major structural corridor with known gossans in the area. Centrex lodged an exploration license application for the project and expects to be awarded the tenement in the second half of 2013. The project is expected to complement the nearby Goulburn Base Metals Joint Venture just 10km east of Gundaroo.

4. TENEMENTS

4.1. 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 5170
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 5065
Carrow EL 4998

New South Wales

Goulburn (NSW) EL 7388

Archer (NSW) EL 7503

Attached is the Appendix 5B Statement of Cash flows for the period from 1st January 2013 to 31st March 2013.

For further information, please contact;

Ben Hammond
Acting CEO
Centrex Metals Limited
(08) 8100 2200

or

Gavin Bosch
Company Secretary
Centrex Metals Limited
(08) 8100 2200

Competent Person's Statement(s)

The information in this report relating to Mineral Resources for Fusion 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 and Chartered Professional 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 consented to the inclusion of this information in the 18th February 2013 announcement in the form and context in which it appeared in those documents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

The information in this report relating to Mineral Resources for Carrow and Greenpatch 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 consented to the inclusion of this information in the 1st June 2011 and 12th January 2012 announcements in the form and context in which it appeared in those documents.

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 General Manager Exploration of Centrex Metals Limited. Mr Watts has sufficient experience relevant to the style of mineralization and type of deposit under consideration and to the activity 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 this 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")

31 MARCH 2013

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	27	36
1.2 Payments for (a) exploration & evaluation	(515)	(1,051)
(b) development	-	-
(c) production	-	-
(d) administration	(846)	(2,489)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	755	2,405
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) / received	(486)	(495)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,065)	(1,594)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(7)	(25)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	4
1.10 Loans to other entities	(153)	(757)
1.11 Loans repaid by other entities	160	970
1.12 Other (provide details if material)	-	-
Net investing cash flows	0	192
1.13 Total operating and investing cash flows (carried forward)	(1,065)	(1,402)

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1.13	Total operating and investing cash flows (brought forward)	(1,065)	(1,402)
	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	(15,680)	(15,680)
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(15,680)	(15,680)
	Net increase (decrease) in cash held	(16,745)	(17,082)
1.20	Cash at beginning of quarter/year to date	63,287	63,624
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	46,542	46,542

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	135
1.24	Aggregate amount of loans to the parties included in item 1.10	153

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).	\$87
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

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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):

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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	1,085
4.2 Development	-
4.3 Production	-
4.4 Administration	1,713
Total	2,798

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	266	255
5.2 Deposits at call	1,906	4,648
5.3 Bank overdraft		
5.4 Other (term deposits with maturity >90days)	44,370	58,384
Total: cash at end of quarter (item 1.22)	46,542	63,287

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		
6.2		Interests in mining tenements acquired or increased		

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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				

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7.7	Options <i>(description and conversion factor)</i>	<p>➊ 2014 Employ Options Expiring 30/06/14</p> <p>➋ 2014 Employ Performance Rights vesting 30/06/14 (subject to performance hurdles)</p> <p>➌ 2014 Employ Retention Rights vesting 30/06/14 (subject to retention hurdles)</p> <p>➍ 2015 Employ Performance Rights vesting 01/07/15 (subject to performance hurdles)</p> <p>➎ 2015 Employ Retention Rights vesting 01/07/15 (subject to retention hurdles)</p> <p style="text-align: center;"><u>Period end balance:</u></p> <p>➊ 750,000</p> <p>➋ 1,800,000</p> <p>➌ 800,000</p> <p>➍ 1,592,948</p> <p>➎ 938,001</p>		\$0.42		
7.8	Issued during quarter	<p>➊ -</p> <p>➋ -</p> <p>➌ -</p> <p>➍ -</p> <p>➎ -</p>	<p>➊ -</p> <p>➋ -</p> <p>➌ -</p> <p>➍ -</p> <p>➎ -</p>			
7.9	Exercised during quarter	<p>➊ -</p> <p>➋ -</p> <p>➌ -</p> <p>➍ -</p> <p>➎ -</p>	<p>➊ -</p> <p>➋ -</p> <p>➌ -</p> <p>➍ -</p> <p>➎ -</p>			
7.10	Expired during quarter	<p>➊ -</p> <p>➋ -</p> <p>➌ -</p> <p>➍ -</p> <p>➎ -</p>	<p>➊ -</p> <p>➋ -</p> <p>➌ -</p> <p>➍ -</p> <p>➎ -</p>			
7.11	Debentures <i>(totals only)</i>					
7.12	Unsecured notes <i>(totals only)</i>					

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



Sign here: Date: 29 April 2013
(Company Secretary)

Print name: Mr Gavin Bosch

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.

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