
CENTREX METALS LIMITED

A.B.N. 97 096 298 752

ANNUAL FINANCIAL REPORT

For the Financial Year Ended 30 June 2013

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Chief Executive's Report

Dear Fellow Shareholders,

Centrex's directors continue to believe that the Company's share price is at a significant discount to value. As forecast at the last annual general meeting the Company undertook a sustained investor relations program during the year just gone in an effort to increase recognition in the market and to identify Centrex's competitive advantages. Despite this effort the share price continues to be dragged down by general market sentiment and concerns over iron ore pricing and commercial risks associated with Australian magnetite developments. Looking back over two years the Centrex share price and the ASX Small Resources index have followed each other closely with both decreasing by 54% since September 2011.

Notwithstanding the market sentiment the Board is confident that value can be delivered over the long-term from our existing iron ore business through the combination of our partnerships with consumers of iron ore product and a strategy of appropriately capping our commercial risk. Over time, the demand for steel and iron ore will be largely determined by inevitable population increases and increasing urbanisation in developing countries. Continuing to seek opportunities to optimise project costs will be the focus of further studies in the short to medium-term for these assets.

Unlike many of our peers, we continue to maintain a strong balance sheet. Pursuit of the business development strategy of diversification to provide shorter term value propositions, adopted in late 2012, has not yet yielded any acquisitions. A steady flow of opportunities continues to be presented to the Company. The Company will continue to maintain patience to identify the right acquisition opportunities at the right value. As capital continues to dissipate for exploration companies in this tough market the opportunity to acquire good quality projects is expected to increase. Our vision is for Centrex to hold a pipeline of resource development opportunities, through which Centrex can unlock value for our shareholders through the project development cycle. This will, together with managing our existing joint ventures, be our focus for the foreseeable future.

In February 2013 the Board announced a special dividend from the capital gain made by the Company from the sale of 60% of the Eyre Iron tenements to the Wuhan Iron & Steel (Group) Co. ("WISCO") representing a fully franked return of \$15.7 million to shareholders. The dividend followed the completion of a review of its capital management which was first mentioned at the 2012 Annual General Meeting and requested by shareholders at the same meeting. The review took into account the cash requirements for the development of existing assets and additional opportunities. As a result, the Board determined that Centrex's current and medium term cash reserves could accommodate the dividend payment and the Company's medium term cash requirements would be kept under review.

A critical element of the medium term cash requirements relates to the development of Centrex's joint ventures. The recent signing of the Memorandum of Understanding ("MOU") with WISCO for proposed amendments to the partners' Eyre Iron Magnetite Joint Venture continues the Company's strategy of conserving existing cash reserves for creating additional development opportunities that may attract further foreign investment, while at



Mr David Klingberg - Chairman

Chief Executive's Report

the same time addressing the funding path for this iron ore project up to and beyond the bankable feasibility study phase.

In April the Company passed another significant milestone with a third joint venture added to our projects. The joint venture with the Shandong 5th Geo-Mineral Prospecting Institute ("Shandong") over the Goulburn base metal project is awaiting Chinese and Australian government approvals which are expected soon. This joint venture is in line with the Company's strategy of funding the development of its projects through its international partnerships, the agreement contemplates Centrex being "free-carried" through to production which would be an excellent result for shareholders if the project is successful.

On 30 June 2013 the Board announced two important changes to the Board and management. Mr Ben Hammond, who had been acting as Chief Executive Officer since February 2013 was appointed to the role on a full time basis, and Mr Jim White retired as a director.

Mr Hammond is a geologist with excellent development experience in iron ore and coal with BHP Billiton and Centrex. He joined Centrex in 2007 where he played a key role in the negotiation and successful completion of the Company's two major Chinese backed magnetite joint ventures. More recently he was instrumental in negotiating the third joint venture with Shandong. The appointment came after an extensive national and international search process conducted by an independent human resource consultant. Ben's familiarity with Centrex projects and his obvious expertise, energy and enthusiasm were decisive factors in the appointment.

The following Chief Executive's Report summarizes the status of the Company's main projects. It emphasises our strategy to provide value to shareholders throughout the development cycle by leveraging our international partnerships. The Board is optimistic that broadening our focus to include early stage projects, such as the Gundaroo gold-base metals project, will add quality lower potential development cost opportunities to the Company's project portfolio. This in turn will provide a balance in our pipeline against the much larger iron ore projects, to generate a steady flow of value to shareholders from the short through to the longer term.

After three years of service to the Company, Mr Jim White announced his decision to retire as a Director of Centrex in order to focus on his health. As Managing Director, Mr White was instrumental in the process of advancing the Port Spencer deep-water port development such that it now has State Government development approval for Stage 1 with a decision from the Federal Government expected in the coming months.

The Board and the entire Centrex team are grateful for the significant contribution made by Jim during his time at the Company and wish him well.

On behalf of the Board, thank you to shareholders who continue to support the Company. I would also like to thank my fellow directors and staff for their efforts during the year.



.....
David Klingberg AO,
Chairman of the Board

Chief Executive's Report



Mr Ben Hammond – Chief Executive Officer

"I am grateful that the company has given me the opportunity to lead the business through what is proving to be a difficult market.

While commodity prices are down and many junior resource companies struggle to raise funds, Centrex is in a unique position to prosper and grow. As high value opportunities appear we will capitalise on this via strategic acquisitions.

This will feed our development pipeline allowing us to continue our model of funding project development and ultimately business growth through foreign investment.

The traditional focus of the Company has been on the development of our major iron ore assets and infrastructure on the Eyre Peninsula in South Australia, and in recent times a particular focus on the two Chinese backed magnetite joint ventures. We recognise that these are major capital projects and their development is a long-term value proposition. In turn we further recognise there is a need to provide a balanced growth pipeline with parallel development of smaller scale assets that may provide value propositions in the short to medium-term.

We believe we are well on our way to this with our third Chinese backed joint venture over the Goulburn base metals project in NSW, and commencement of exploration at the nearby and recently pegged Gundaroo gold-base metals project. Our desire is to continue to add projects with development potential in the medium-term through a mix of opportunistic acquisitions and greenfields exploration.

With regard to attracting foreign investment, the appointment of AK Tareen (former South Australian Trade Commissioner to India) as our Strategic Advisor to India and South Asia; a raft of new opportunities outside our traditional China based networks has opened up for us."

OUR VISION AND STRATEGY

"Acquire, define and develop a portfolio of resource projects for developing markets to provide shareholder value."

Our focus is on finding resource projects with the potential to produce in the lower end of the cost curve, and that have realistic end to end development solutions. We seek to continue to attract foreign investment to fund significant project development in order to appropriately cap our capital risk. We aim to provide value realisation opportunities at early points in the development cycle, which will flow through to shareholders either through share growth or dividends from capital gains.

Our core strengths that underpin our strategy are;

- A growing bank of end to end project knowledge with access already to greater than >\$100 million of project IP through our own projects and our joint ventures covering mining, processing, logistics and ports.
- A management team with experience from the whole mining supply chain with backgrounds extending beyond exploration and into mine production, rail, ports, maintenance, construction and even steel making.
- Strong international networks and partnerships with three existing Chinese backed joint ventures including two with major steel mills plus an on ground and very experienced presence in the growing market of India.

Chief Executive's Report

JOINT VENTURES

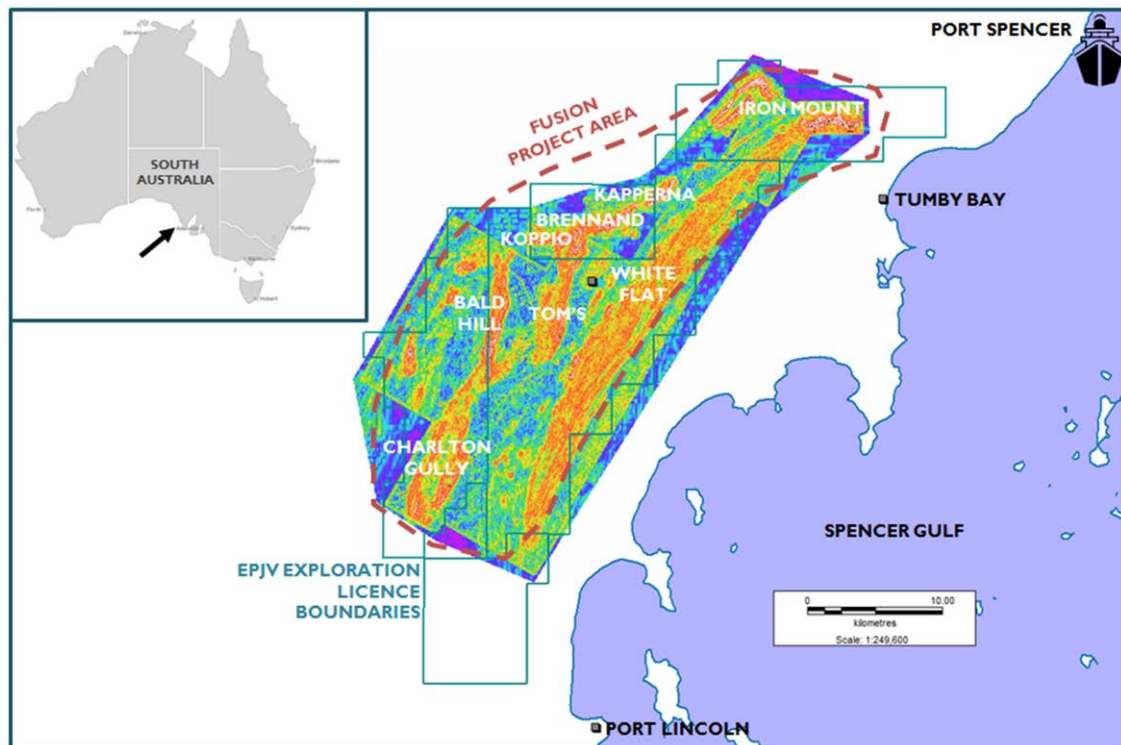
Centrex now has three of its major assets under joint ventures backed by major Chinese companies. All joint ventures are currently and will continue where possible to be structured to have minimal impact on the Company's own cash reserves and financial structure. During the development of these joint ventures should they eventually move into execution phase, Centrex will move from its role as joint venture partner to minority shareholder in order to meet the capital needs at a project rather than company level.

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

The Eyre Iron Magnetite Joint Venture comprises the iron ore rights to five exploration licenses on the Southern Eyre Peninsula in South Australia. Under the joint venture the world's 4th largest steel group Wuhan Iron & Steel (Group) Co. ("WISCO") earned 60% of the assets in 2010 by paying A\$ 78 million directly to Centrex as well as funding the first A\$ 75 million of exploration. The joint venture is focused on the development of a magnetite concentrate operation at its flagship Fusion project, located just 40km via slurry pipeline from Centrex's proposed Port Spencer deep-water export facility on the east coast of the Eyre Peninsula.

A series of Mineral Resource upgrades were completed throughout the year at Fusion with the final update providing a total Mineral Resource for the project of 680Mtⁱⁱ including 312Mt of Indicated & Measuredⁱ. The Mineral Resources encompass the Koppio, Brennand, Kapperna and Iron Mount deposits within Fusion, just part of the overall 50km magnetic BIF trend that comprises the greater Fusion project.

A small 2,500m exploration drilling program was undertaken at the Bald Hill deposit in the west of Fusion to gauge the potential to expand the project resource base and thus allowing greater selectivity for any resulting mine design study, lowering overall estimated production costs. The results of the drilling confirmed the potential of the area and resulted in Centrex and WISCO commencing negotiations to re-scope and re-schedule the project to include additional exploration areas.



Project Fusion and Port Spencer locations.

As a result of negotiations a Memorandum of Understanding ("MOU") was signed in early September 2013 for an in-principle agreement to undertake additional exploration drilling commencing in 2013 for an expanded project and move Fusion back into a Pre-Feasibility Study ("PFS") to take into any additional deposits drilled.

Chief Executive's Report

As part of the MOU a funding plan was also negotiated to provide for not only the PFS but also any eventual Bankable Feasibility Study ("BFS"). For the PFS WISCO and Centrex would jointly contribute a target A\$ 10 million (Centrex A\$ 4 million) to add to the approximate A\$ 9 million of existing joint venture funding available at the time of the MOU.

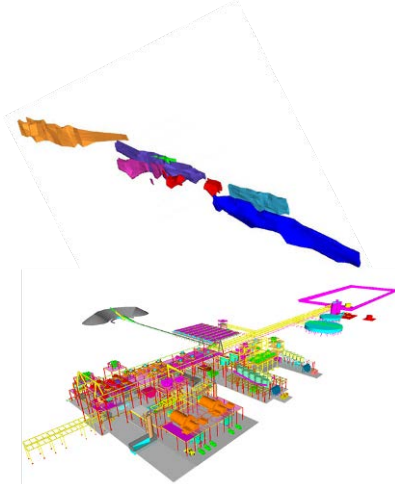
For the larger BFS study the company negotiated a separate funding path. At completion of the PFS if WISCO and Centrex wish to pursue the project further then two options can occur; either list the joint venture as its own vehicle on the ASX and carry out an initial public offering ("IPO") to raise the BFS funding (with WISCO underwriting any shortfall), or jointly find a third party investor to take direct equity in return for the BFS funding. In either case Centrex would dilute down to a minimum 30% interest in the joint venture.

In return for the funding path for the BFS the Company traded its potential for four resource incentive payments of A\$ 27 million each if large resource milestones were met. Given the uncertainty over triggering the payments as the joint venture is still quite some way from even the first milestone mark, and land access restrictions in the joint venture area, the Company believed in the current market the priority to be for BFS funding that was outside of its own cash reserves. The Company would seek a refund from the South Australian Government for the A\$ 5.9 million it paid in stamp duty on the resource incentive payments in 2010.

If WISCO and Centrex did not decide to proceed after the PFS a joint trade sale would occur with Centrex receiving any proceeds in proportion to its interest. While the Company is hopeful this is unlikely, combined with the BFS funding plan it provides certainty either way on the direction of the joint venture.

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

The Bungalow Magnetite Joint Venture comprises the iron ore rights to the deposits of Bungalow and Minbrie within a single exploration licence outside of the town of Cowell on the northern Eyre Peninsula South Australia. The joint venture commenced in 2010 with the potential for Chinese steel major Baotou Iron & Steel (Group) ("Baotou") to earn up to 50% by funding A\$ 40 million in exploration. To date Baotou have provided A\$ 24 million and earned a 30% interest.



The Bungalow deposit geological model and plant design layout

The focus for the past year has been on completing a Pre-Feasibility Study over the current 338Mt Mineral Resource (including 188Mt of Measured/Indicated)ⁱⁱⁱ. A change of mining consultants in the back half of the year delayed the completion of the study which is expected to be completed towards the end of 2013.

While the study has focused on a magnetite concentrate circuit the deposits still hold potential for additional recovery of hematite iron ore by-product from the mainly magnetite iron formation. Test work was on-going over the year in this area with encouraging results both through heavy liquid separation, gravity and screening.

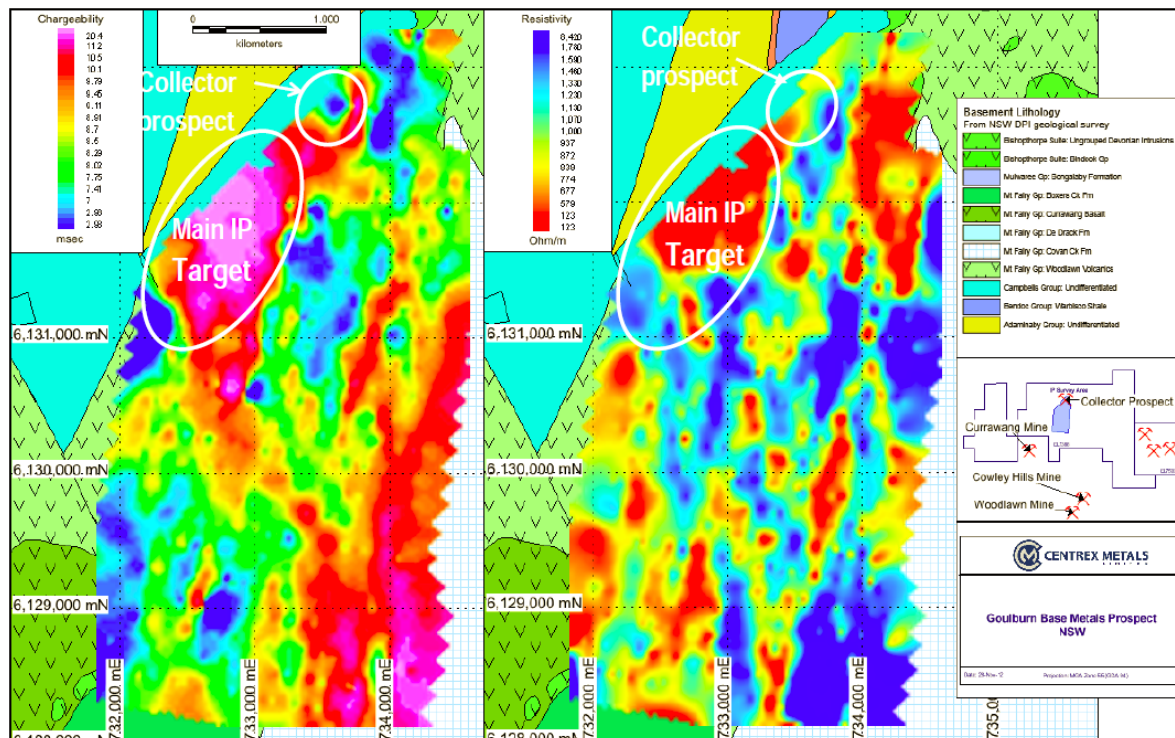
Goulburn Base Metals Joint Venture (Centrex 65%, Shandong 35%)^{iv}

In the first half of the year Centrex continued exploration over its Goulburn Base Metals Project in NSW within the Lachlan Fold Belt with the completion of a ground based resistivity and induced polarisation ("IP") survey. The survey was completed over a previously defined Falcon air-borne gravity anomaly near the historical Collector prospect located in the central area of the main Goulburn tenement.

The Collector prospect has numerous historically defined zones of zinc, copper and lead mineralisation, but exploration until now in the area was hindered by land access constraints. The survey was combined with other

Chief Executive's Report

geophysical data sets and ground mapping and identified a number of drill ready targets. Centrex was able to gain the first land access arrangements for drilling around the Collector prospect in almost 20 years.



Images displaying both IP chargeability and resistivity results over the Collector deposit areas.

To progress exploration further and commence drilling of the identified targets, as well as an expanded program across the greater tenement areas, a joint venture was executed with Shandong 5th Geo-Mineral Prospecting Institute ("Shandong") in April 2013.

Under the joint venture Shandong will fund an initial \$2 million exploration program to earn 35% of the project. If an economic deposit is defined during this program Shandong may move on to fund a Bankable Feasibility Study, increase their interest to 50%, with further potential to increase their interest to 80% by funding the project through to production. Should Shandong not elect to continue to fund the project in the event an economic deposit is defined Centrex will have a A\$ 1 million call option, and Shandong a A\$ 1 million put option for Shandong's 35% interest. If no economic deposit is defined during the initial exploration program then Shandong can either continue to contribute to further exploration or else exit the project at no cost to Centrex.

This joint venture takes into account the complex mineralisation of the project and the fact that significant exploration is required prior to any discovery. The joint venture also provides a clear funding path for Centrex through to production should a discovery be made.

The commencement of the joint venture still awaits both Chinese and Australian Government approvals that are expected in late 2013. Drilling is expected to start soon after commencement.

EXPLORATION & DEVELOPMENT

Port Spencer (Centrex 100%)

Port Spencer is a proposed deep-water port development by Centrex on the east coast of the Eyre Peninsula for the export of bulk commodities, particularly the Company's iron ore projects in the region. The current port design can accommodate 20Mtpa of exports from a 515m jetty to deep water loading Cape vessels on any tide.

A new feasibility study has been commenced by the Company to consider a lowered start-up capital cost transshipment design for the port utilising the latest self-propelled transhipper technology. Although the current

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port design is already a relatively low cost Cape capable port solution, the self-propelled transshipment option would even further reduce both capital costs and the required start-up export volumes to underpin the port. The option would still allow flexibility for related or third party future export growth, through either larger or additional transshippers.

Conditional development approval was received from the South Australian Government in December 2012 for the off-shore facilities plus hematite iron ore and grain on-shore facilities. A secondary development application with "Major Project Status" is underway to add a desalination plant, storage, dewatering circuits, slurry pipeline and processing facilities for magnetite concentrate export to the development. Federal environmental approvals have been progressed throughout the year with approval expected in late 2013.



Port Spencer artist's impression.

A joint venture agreement was signed in March 2012 over the port with one of the Company's major magnetite development partners Wuhan Iron & Steel (Group) Co. ("WISCO") but still awaits Chinese government approvals. Approvals in China have been slowed due to changes in leadership at many levels of government over the past year. The joint venture would provide WISCO the opportunity to earn 50% of the port through funding the next A\$ 4 million of development. The development of Port Spencer is inextricably linked to the development of the Company's magnetite joint ventures that would provide the supporting customer base for the project.

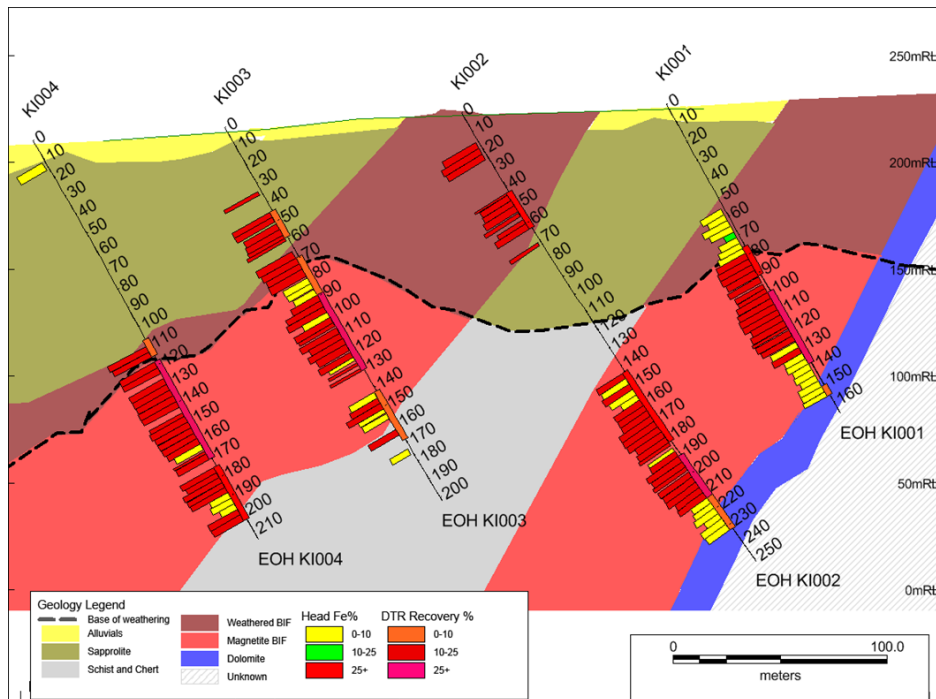
Kimba Gap Magnetite Project (Centrex 100%)

The Kimba Gap project is the newest of the Company's magnetite iron ore developments on the Eyre Peninsula South Australia. The project encompasses an outcropping 4.6km banded iron formation with the majority (4km) lying on a single Centrex Exploration Licence and the remaining 600m on an Arrium Exploration Licence. The deposit lies just to the west of Arrium's existing hematite and magnetite iron ore mines and is around 60km from Whyalla, Arrium's current iron ore export facility. It is also 50km north of Centrex's Bungalow Magnetite Joint Venture.

During the year the Company secured a dual tenancy agreement with Arrium for the additional portion. Under the agreement Centrex paid A\$ 200,000 for the right to peg a Mineral Claim over the area for any magnetite iron ore within 18 months of commencing exploration. If a Mineral Claim is pegged a further A\$ 300,000 will be payable to Arrium.

Four diamond drill holes were completed by Centrex in 2013 across a section of the deposit and combined with outcrop mapping, surface sampling, high resolution magnetics and gravity resulted in an Independent Exploration Target of 330Mt to 500Mt^v with a Davis Tube Recovery ("DTR") of between 21% and 27%. The potential quantity and grade of this Exploration target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

Chief Executive's Report



Cross section displaying the results of all 4 drill holes

The Company has commenced a marketing campaign to attract a joint venture partner to develop the project further.

Wilgerup DSO Hematite Project (Centrex 100%)

The Wilgerup DSO Hematite Project is located near the town of Lock on the central Eyre Peninsula South Australia. The project currently has 13.3Mt of Indicated Mineral Resources^{vi} at 58% Fe, with mining approvals already in place. Development of Wilgerup is dependent on access to an export facility in the region. At present the project is proposed to be trucked around 100km to the Port Spencer development for export. The project is not large enough to justify a port development in its own right and so awaits commencement of port construction once one of Centrex's magnetite joint ventures has secured Port Spencer's development.

A small reverse circulation drilling program was undertaken late in the year over a number of DSO gravity anomaly targets on the Wilgerup exploration lease in order to explore for additional resources. The drilling hit only lower grade banded iron formation.

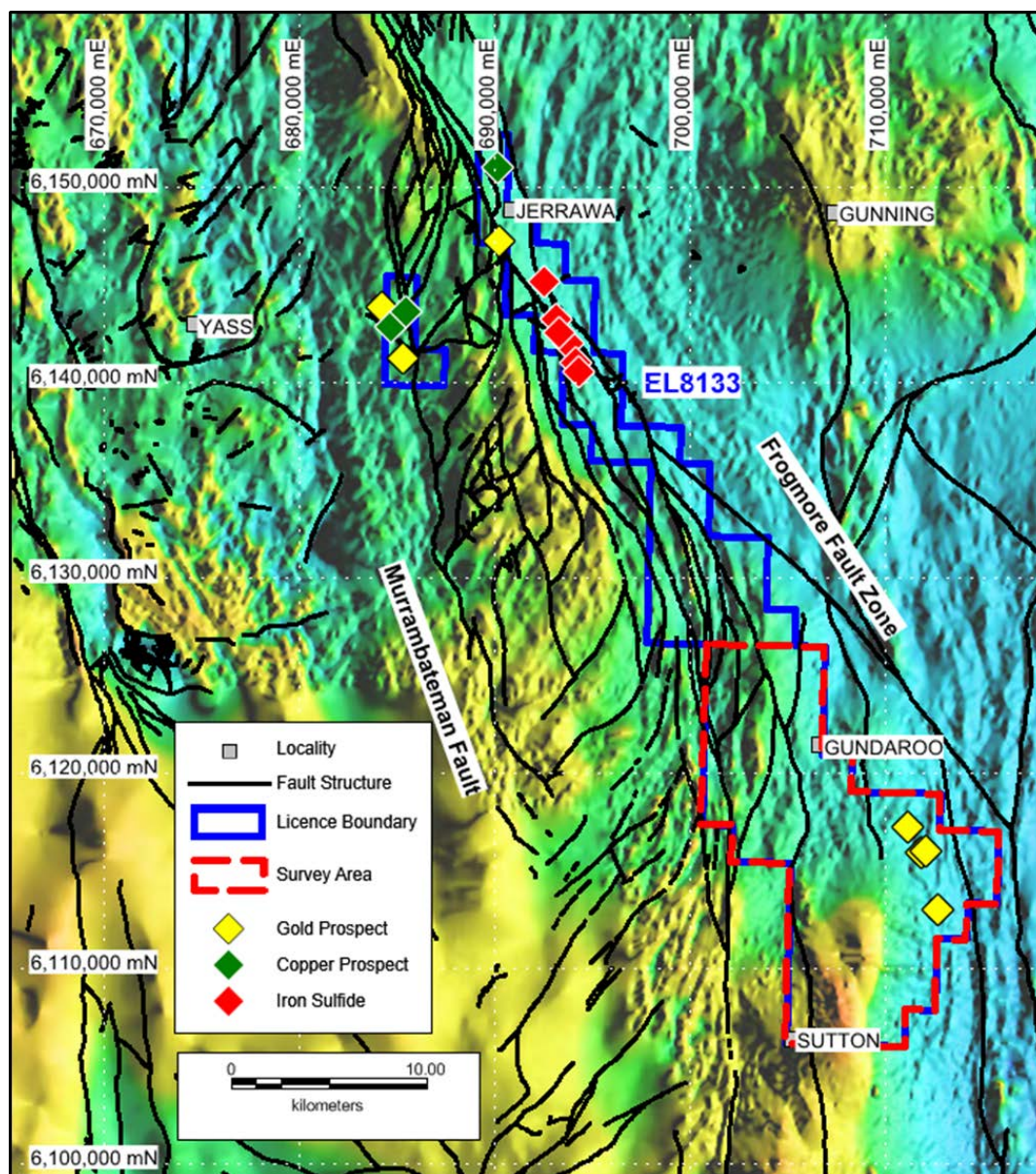
Investigations are on-going for a potential low-capital early-development solution for the project.

Gundaroo Gold-Base Metals Project (Centrex 100%)

Late in the year Centrex was granted an application for a 281km² Exploration Licence near Gundaroo within the Lachlan Fold Belt in NSW. The project covers a regional scale fault zone with numerous historical gold and base metals occurrences. The project is also located just 10km west of Centrex's Goulburn Base Metals Joint Venture.

An air-borne magnetic and radiometric survey has been contracted for late in 2013 with proposal for a follow-up ground based geochemical sampling program.

Chief Executive's Report



Statewide Reduced to Pole (RTP) magnetic intensity, showing tenement and prospect locations.

ACQUISITIONS

Over the past year the Company has proactively reviewed multitudes of early stage bulk commodity project acquisition opportunities dominantly in Australia. Bulk commodities were the prime focus for the Company given its steel mill partners. While there have been many bulk commodity assets available for sale or joint venture due to the down-turn in the market, the Company has not identified any that present value in the current market. After the past year's search, Centrex now considers that few quality early stage bulk commodity projects are held outside of either the majors or producing mid-tier companies.

The Company intends to broaden its focus to metals and minerals outside bulk commodities. The Goulburn Base Metals Joint Venture with Shandong has shown the Company's major strength remains in being able to attract foreign investment to early stage projects. The Company's other operational and project knowledge competencies may still be transferable to many aspects of non-bulk projects.

Chief Executive's Report

THE YEAR AHEAD

The 2014 financial year will concentrate on a balance between both the continual long-term development of our iron ore joint ventures and the growth of shorter term asset prospects within our project pipeline.

For the iron ore joint ventures progress will continue to focus on clarifying a funding plan that facilitates completion of Bankable Feasibility Studies without impact on the Company's cash reserves. For the WISCO joint venture this will mean the finalisation of a Supplementary Deed following the MOU and the commencement of exploration on additional deposits within Fusion to fuel the expanded Pre-Feasibility Study. As the Pre-Feasibility Study for Bungalow comes to a conclusion at the end of 2013 we will look to secure the final funding tranche under the farm-in deal with Baotou in order to progress the project to the next stage. We aim to continue our success in securing foreign investment funding for magnetite development on the Eyre Peninsula through the continued marketing of the new Kimba Gap project.

Outside of the Eyre Peninsula a major focus will be the Lachlan Fold Belt in NSW where drilling should commence on the Goulburn Base Metals Joint Venture with Shandong as the first of the geophysical targets are tested. Also in the region we hope to complete the initial exploration program over the Gundaroo Gold-Base Metals Project and have the asset in a position to commence marketing for a joint venture development partner.

Finally with the broadened focus for early stage acquisition we hope to secure some quality projects at good value as the market continues its uncertain trend.



Mr Ben Hammond
Chief Executive Officer

Dated at Adelaide this 20th day of September 2013.

ⁱ 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, 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 2012 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.

ⁱⁱ <http://www.asx.com.au/asxpdf/20130218/pdf/42d2m8n09wywwg.pdf>

ⁱⁱⁱ <http://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=cxm&timeframe=Y&year=2012>

^{iv} The information in this report relating to Exploration Results is based on information compiled by Mr Jeff Randell who is a Member of the Australasian Institute of Geoscientists. Mr Randell is the Technical Manager of Geos Mining Mineral Consultants. Mr Randell 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 Randell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

^v The information in this report relating to Exploration Targets 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 2012 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.

^{vi} <http://www.asx.com.au/asx/statistics/announcements.do?by=asxCode&asxCode=cxm&timeframe=Y&year=2009>

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

The Directors present their report together with the consolidated financial report of Centrex Metals Limited ("Company") and its controlled entities ("Group"), for the financial year ended 30 June 2013 and the auditor's report thereon.

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CENTREX METALS LIMITED

A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

1. Directors and the Company Secretaries

1.1 Directors

The directors in office at any time during or since the end of the financial year are:

| Name and Qualifications | Appointed /Resigned | Position, Experience and special responsibilities |
|--|--|---|
| <p>Mr David Klingberg, AO</p> <p>FTSE, D UniSA, B.Tech, FIE Aust, FAus IMM, FAICD, KSJ</p> | <p>Appointed 19/4/05</p> <p>Chairman since 15/1/10</p> | <p>Independent Chairman</p> <p>Mr Klingberg has 34 years' experience as a professional engineer including 10 years as CEO with Kinhill Limited managing professional engineering services to resource development and other industries. He is a former Chancellor of the University of South Australia, retiring in 2008 after holding the position for 10 years. Mr Klingberg is a director of ASX listed companies Codan Limited (ASX: CDA) and E&A Limited (ASX: EAL). He is also director of Snowy Hydro Limited and former Chairman of Barossa Infrastructure Limited and the Premier's Climate Change Council. He is currently a member of the State Government Board of Invest SA and a Patron of the Cancer Council of South Australia and the St Andrew's Hospital Foundation.</p> <p>Mr Klingberg is on the Board of Port Spencer Pty Ltd, the Centrex – WISCO joint venture to develop and operate Port Spencer.</p> <p>Mr Klingberg is a member of the Company's Audit and Risk Management Committee and the Remuneration and Nomination Committee.</p> |
| <p>Mr Jim Hazel BEc, SF Fin, FAICD</p> | <p>Appointed 12/7/10</p> | <p>Independent Non-Executive Director</p> <p>Mr Hazel has had an extensive career in banking and investment banking, including as Chief General Manager of Adelaide Bank Ltd and was formerly managing director of an ASX listed retirement village and aged care operation.</p> <p>He is now a professional public company director and is currently a Director of Bendigo and Adelaide Bank Limited (ASX: BEN), Rural Bank Limited, Impedimed Limited (ASX: IPD), Coopers Brewery Limited, Ingenia Communities Group (ASX: INA, Chairman), and the Motor Accident Commission.</p> <p>Mr. Hazel is Deputy Chairman of the Company and chairs the Company's Audit and Risk Management Committee and the Remuneration and Nomination Committee.</p> |
| <p>Mr Graham Chrisp B Tech (CE)</p> | <p>Appointed 21/1/10</p> | <p>Non-Executive Director</p> <p>Mr Chrisp has a degree in Civil Engineering and has substantial experience in numerous aspects of business operations, including design and construction of roads and other earthworks, mineral exploration and property development. He was a founding director of Centrex Metals Limited (having previously served as its Managing Director) and Lincoln Minerals Ltd. He is Executive Chairman of the listed company Outback Metals Limited (ASX: OUM) and has numerous private interests.</p> <p>Mr Chrisp is also a Director of unlisted South Cove Ltd, the largest shareholder in the Company. Accordingly, he is not considered to be "independent" for the purposes of the Company's corporate governance policies.</p> <p>Mr Chrisp is a member of the Company's Remuneration and Nomination Committee.</p> |

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

1.1 Directors (continued)

The directors in office at any time during or since the end of the financial year are (continued):

| Name and Qualifications | Appointed /Resigned | Position, Experience and special responsibilities |
|---|----------------------------|--|
| Mr Kiat Poh CDipAF, Dip MS, Dip CE | Appointed 21/5/08 | <p>Independent Non-Executive Director</p> <p>Mr Poh has over 30 years' experience at senior management level in the construction, real estate development, manufacturing industries and financial markets. Over the years, he also held senior positions in corporate finance and mezzanine capital investment companies in Malaysia specialising in investments as well as mergers and acquisitions.</p> <p>From 1998 to 2005, he was Managing Director of a Singapore Exchange listed company.</p> <p>Since 2005, Mr Poh has managed a Singapore based investment advisory company that focuses on participating in strategic stakes in listed companies.</p> <p>He is also a director of Synergy Metals Ltd (ASX: SML).</p> <p>Mr Poh is a member of the Company's Audit and Risk Management Committee.</p> |
| Mr John den Dryver BE (Mining), MSc, FAusIMM | Appointed 1/3/11 | <p>Independent Non-Executive Director</p> <p>Mr den Dryver is a Mining Engineer with extensive project development and operational management experience at a senior level in the mining industry, including taking projects in Australia and overseas from grassroots exploration through feasibility, financing and into implementation. His role with Newmont Australia (formerly Normandy Mining Group) included detailed feasibility and development implementation of underground mining operations, assessment and acquisition of mineral projects in Ghana, as well as significant operational involvement with North Flinders Mines and The Granites gold mine in the Northern Territory.</p> <p>Mr den Dryver is a current director of Gascoyne Resources Ltd (ASX: GCY), Adelaide Resources Ltd (ASX: ADN), and Helix Resources Ltd (ASX: HLX). He is also on the Board of Eyre Iron Pty Ltd, the manager of the Centrex – WISCO joint venture.</p> |
| Mr Bingqiang Lu BE (Mining) | Appointed 18/9/12 | <p>Non-Executive Director</p> <p>Mr Lu holds a Bachelor of Mining from Northeastern University of China and has over 20 years' experience in the mining industry.</p> <p>He has held a number of positions with Wuhan Iron & Steel (Group) Corp (WISCO) at WISCO's Jinshandian mine, an underground magnetite mine, in technical, research and infrastructure roles. Mr Lu is currently the Managing Director of Wugang Australian Resources Investment Pty Ltd, a wholly owned subsidiary of WISCO and a Director of Eyre Iron Pty Ltd, the manager of the Centrex – WISCO joint venture. Prior to his role with Eyre Iron, Mr Lu was the Managing Director of Jinshandian mine.</p> <p>As Managing Director of Wugang Australian Resources Investment Pty Ltd, Mr Lu is not considered to be "independent" for the purposes of the Company's corporate governance policies.</p> |

CENTREX METALS LIMITED
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Directors' Report

For the Year Ended 30 June 2013

1.1 Directors (continued)

The directors in office at any time during or since the end of the financial year are (continued):

| Name and Qualifications | Appointed /Resigned | Position, Experience and special responsibilities |
|---|---|---|
| Mr Jim White BApp Sci(Met), FIEAust, CP Eng | Appointed 16/8/10 Resigned 30/6/2013 | <p>Executive Director</p> <p>Mr White is a metallurgist who has spent his career with BHP and OneSteel, with a focus on steelmaking, exploration and major project development. Mr White stepped down from the role of managing director from 1 July 2012, and continued to work for the Company on a part time basis through to his retirement on 30 June 2013.</p> <p>Mr White is on the Board of SA Chamber of Mines and Energy (SACOME) and the Resources Industry Board (RIDB).</p> <p>As past Managing Director and executive, he is not considered to be "independent" for the purposes of the Company's corporate governance policies.</p> |
| Dr Chaoying Qi | Appointed 20/12/11 Resigned 27/8/12 | <p>Alternate Non-Executive Director for Mr Xiaopeng Yin</p> <p>For the period Dr Qi acted as an alternate he was the former Managing Director of Wugang Australian Resources Investment Pty Ltd, the Company's second largest shareholder. He is also Managing Director of Eyre Iron Pty Ltd, the manager of the Centrex – WISCO joint venture.</p> <p>He holds a PhD in mineral processing and MBA/EMBA from Wuhan University and has specialised in mineral processing throughout his career.</p> <p>As former Managing Director of Wugang Australian Resources Investment Pty Ltd, Dr Qi is not considered to be "independent" for the purposes of the Company's corporate governance policies.</p> |
| Mr Xiaopeng Yin | Appointed 21/1/10 Resigned 18/9/12 | <p>Non-Executive Director</p> <p>Mr Yin is General Manager of Mineral Industry Corporation and Chairman of Wugang Australian Resources Investment Pty Ltd, the Company's second largest shareholder. Both are wholly owned subsidiaries of Wuhan Iron & Steel (Group) Co (WISCO). Mr Yin has many years' experience working in the mining industry.</p> <p>He is presently a director of Consolidated Thompson Mines Ltd (Canada) and was the General Manager of Daye Iron Ore Mine (located in Hubei province, China) which has 5,000 employees and produces 1.1Mt of iron ore concentrate per annum.</p> <p>As Chairman of Wugang Australian Resources Investment Pty Ltd, an unlisted company that is the second largest shareholder in the Company, Mr Yin is not considered to be "independent" for the purposes of the Company's corporate governance policies.</p> |

Directors' Report

For the Year Ended 30 June 2013

1.2 Company Secretaries

Company Secretary and Legal Counsel

The Company Secretary and Chief Financial Officer, Mr Gavin Bosch joined the company in January 2008 and was appointed Company Secretary on 2 May 2008. Mr Bosch has over 16 years' experience in the mining industry and is a qualified chartered secretary.

The joint Company Secretary and Legal Counsel, Ms Alison Evans was appointed 3 February 2011 and resigned 29 November 2012.

2. Executives considered to be Key Management Personnel

The executives considered to be key management personnel in office at any time during or since the end of the financial year are:

Chief Executive Officer

The Chief Executive Officer, Mr Ben Hammond was appointed on 1 July 2013. Prior to this, on 13 February 2013, Mr Hammond was appointed as the company's Acting Chief Executive Officer. Prior to this Mr Hammond held the position of Chief Development Officer.

Mr Hammond is a geologist who has spent his career in bulk commodities with BHP Billiton. He commenced employment at Centrex Metals Limited in December 2007. His roles have spanned business development, project management, business improvement, mine geology and exploration. His operational experience extends beyond mining to ports, rail and maintenance.

General Manager, Exploration

The General Manager, Exploration, Mr Alastair Watts was appointed 15 March 2007.

Mr Watts is a geologist with 22 years' experience in mining and exploration geology and is a member of the Australian Institute of Mining and Metallurgy. He has worked extensively within a range of commodities and mine sites across Australasia including the gold mining regions near Kalgoorlie, Western Australia, Charters Towers, Queensland, the Solomon Islands, nickel laterite in Indonesia and phosphate in Queensland. More recently he held a 3 year position with BHP Iron Ore as the Superintendent of Geology and Quality Control at Newman, Western Australia.

Mr Watts holds a Bachelor of Science (Geology) from Flinders University of South Australia and a Diploma of Business (Front Line Management) from the Australian Institute of Management.

Project Director, Eyre Iron Joint Venture

The General Manager, Engineering, Mr Steve Brown was appointed 4 January 2011.

Mr Brown is an electrical engineer with 30 years' experience in the iron ore, steel, water and construction industries. Previous roles include Manager Engineering for all capital works at OneSteel Whyalla and Client Construction Manager for Project Magnet iron ore development. As well as his role of General Manager Engineering for the Company, Mr Brown is intimately involved in the Company's joint ventures with WISCO, also holding the roles of Chief Executive Officer of Port Spencer Pty Ltd and Project Director for Project Fusion.

General Manager

The General Manager, Mr Phillip Staveley was appointed 1 July 2012 and was previously the General Manager, Commercial from 10 April 2012 to 30 June 2012. Mr Staveley subsequently resigned from the company on 5 February 2013.

Directors' Report

For the Year Ended 30 June 2013

3. Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Group during the year ended 30 June 2013 was:

| | Board Meetings | | Audit and Risk Management Committee Meetings | | Remuneration and Nomination Committee | |
|----------------|--------------------|-----------------|--|-----------------|---------------------------------------|-----------------|
| | Eligible to Attend | Number Attended | Eligible to Attend | Number Attended | Eligible to Attend | Number Attended |
| Mr D Klingberg | 11 | 11 | 5 | 5 | 1 | 1 |
| Mr J White | 11 | 11 | - | - | - | - |
| Mr K Poh | 11 | 11 | 5 | 5 | - | - |
| Mr G Chrisp | 11 | 10 | - | - | 1 | 1 |
| Mr X Yin * | 2 | 1 | - | - | - | - |
| Mr B Lu | 8 | 8 | - | - | - | - |
| Mr J Hazel | 11 | 11 | 5 | 5 | 1 | 1 |
| Mr J d Dryver | 11 | 10 | - | - | - | - |

*Mr Haiming Zhao attended as alternate director for Mr Yin

4. Corporate Governance Statement

The Board is committed to the principles underpinning best practice in corporate governance. The Company must comply with the ASX Listing Rules which require it to report annually on the extent to which it complied with the Corporate Governance Principles and Recommendations (Principles) as published by the ASX Corporate Governance Council. The Board believes that the Company has complied with the Principles for the current reporting period unless otherwise stated in this Corporate Governance Statement.

A description of the Company's main corporate governance practices are set out below. All relevant corporate governance policies are also available on the Company's website located at:

<http://centrexmetals.com.au/governance/>

Principle 1: Lay solid foundations for management and oversight

Role of the Board

The Board has established the functions reserved for the Board and delegated certain functions to the Chief Executive Officer and senior executives of the Company. These functions are discussed in more detail below and are also contained in detail in the Board Charter which can be found in the corporate governance section of the Company website. From 1 July 2012 Mr Jim White stepped down from the role of Managing Director, Mr Phillip Staveley was appointed General Manager until 5 February 2013. Following this, on 13 February 2013, Mr Ben Hammond was appointed acting Chief Executive Officer and subsequently appointed Chief Executive Officer on 30 June 2013.

The Board's primary role is the protection and enhancement of long-term shareholder value. To fulfil this role, the Board is responsible for the overall corporate governance of the Company and its subsidiaries including formulating its strategic direction, approving and monitoring budgets including capital expenditure, setting remuneration for key executives, appointing, removing and creating succession policies for directors and senior executives, establishing and monitoring the achievement of management's goals and ensuring the integrity of internal control and management information systems. It is also responsible for approving and monitoring financial and other reporting.

The Board delegated responsibility for operation and administration of the Company and matters not expressly reserved to the Board to the Chief Executive Officer.

Directors' Report

For the Year Ended 30 June 2013

Principle 2: Structure the Board to add value

Composition of the Board

The Constitution of the Company specifies that the number of directors shall be not less than three or more than eight. As at the date of this report, the Company has 6 directors which the Board considers appropriate given the size and nature of the Company. In making this determination, the Board gave consideration to the breadth of experience and skills on the Board, the total remuneration currently paid to directors and the total number of executives and other employees. The Board may at any time appoint a director to fill a casual vacancy.

The names, qualifications and experience of the Directors of the Company in office at the date of this report are set out in Section 1 of this Directors' Report.

The composition of the Board is regularly reviewed to ensure that it continues to have the right combination of experience, and competencies to fulfil its responsibilities effectively. The Board also considers that there should be a majority of Non-Executive Directors; at least half of the directors should be independent Directors; and that the Chairman must be a non-executive independent Director.

Independence of Board members

In determining the independent status of a Director, the Board considers whether the Director:

- is employed by the Company or has been employed by the Company within the previous three years in an executive capacity;
- is a substantial shareholder of the Company (ie holds at least five per cent of the voting shares of the Company) or is directly or indirectly associated with a substantial shareholder;
- has within the last three years been a principal or employee of a material professional adviser or a material consultant to the Company or another group member;
- is a material supplier or customer of the Company or another group member, or directly or indirectly associated with a material supplier or customer;
- has a material contractual relationship with the Company or another group member other than as a Director of the Company; and
- has any interest or any business or other relationship which could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the best interests of the Company.

For the purposes of determining what is "material" in the above context, the Board considers, any Director-related business relationship to be material if it represents, or is likely in future to represent at least 10% per cent of the relevant segment's or the Director-related business's revenue. The Board considered the nature of the relevant industries' competition and the size and nature of each Director-related business relationship, in arriving at this threshold.

The Chairman, Mr David Klingberg, Mr Kiat Poh, Mr Jim Hazel and Mr John den Dryver are all considered to be independent by virtue of their meeting the criteria outlined directly above.

Of the remaining current directors, Mr Graham Chrisp and Mr Bingqiang Lu are not considered to be independent. Mr Chrisp is a director of South Cove Ltd, the largest single shareholder in the Company and Mr Lu is a director of Wugang Australian Resources Investment Company Pty Ltd (WARI), the second largest shareholder in the Company. As at 30 June 2013 the composition of the Board complies with its defined objectives.

Directors' Report

For the Year Ended 30 June 2013

Nomination, retirement and appointment of Directors

The charter of the Remuneration and Nomination Committee and the process for selecting and appointing new Board members can be found in the corporate governance section on the Company website.

Where a vacancy exists, the Remuneration and Nomination Committee will recommend suitable candidates after having undertaken a review of the necessary and desirable competencies of the candidate and then report their findings to the Board as a whole. The Chairman of the Board will then make the necessary approach to any potential candidates.

The constitution of the Company and the ASX Listing Rules require that at each annual general meeting, one third of Directors (excluding the Managing Director) together with any director appointed since the last annual general meeting retire from office. Retiring directors offering themselves for re-election must confirm the director's on-going capacity and commitment to fulfil the role before acceptance of their offer by the Board.

Independent professional advice and access to company information

Each Director has the right of access to all relevant Company information and to the Company's executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified adviser at the Group's expense. The Director must consult with an advisor suitably qualified in the relevant field, and obtain the Chairman's approval of the fee payable for the advice before proceeding with the consultation. A copy of the advice received by the Director is made available to all other members of the Board.

Performance Evaluation

The Board has formally outlined the performance evaluation process for the Board and senior executives in a document titled "Performance Evaluation Process" which can be found in the corporate governance section of the Company website.

The Chairman is responsible for ensuring regular reviews of the Board, its committees and individual members. The process includes formal and informal interviews and surveys, the goal of which is to identify improvements to board processes and procedures.

The performance of senior executives is reviewed annually (or more regularly as appropriate) by the Board in conjunction with the Chief Executive Officer. The process for evaluating the performance of senior executives is for the Chief Executive Officer to measure performance against objective benchmarks including operational or financial milestones and report the performance to the Board. The performance of the Chief Executive Officer is also measured against objective benchmarks including operational or financial milestones and is undertaken by the Board. Performance reviews for all senior executives including the Chief Executive Officer were conducted during the reporting period.

Principle 3: Promote ethical and responsible decision making

Code of conduct

The Board has established a Code of Conduct under which all directors, and employees are expected to act with the utmost integrity and objectivity, striving at all times to enhance the reputation and performance of the Group. The Code of Conduct addresses matters such as compliance with laws, appropriate standards of behaviour, the management of conflicts of interest, environmental management and dealings with individuals in both employment and other contexts.

The Board reviews the Code of Conduct regularly to ensure the highest standards of behaviour and professionalism. Further detail relating to the Code of Conduct is available in the document titled "Board Charter and the Role of Management" which can be found in the corporate governance section of the Company website.

Share Trading Policy

The Board has formulated a Share Trading Policy which applies to all directors, managers, employees and regular consultants. A complete version of the policy can be found in the corporate governance section of the Company website.

Directors' Report

For the Year Ended 30 June 2013

Among other things the policy establishes a procedure for notifying the Chief Executive Officer, Chairman or Company Secretary of intended trading activity of Company officers, employees or consultants in the securities of other companies in respect of which that person may have inside knowledge deriving from their position within the Company.

Diversity

The Company is committed to providing an inclusive workplace and recognises the value that a workforce made up of individuals with diverse skills, values, backgrounds and experiences will bring to the Company. At the core of the Company's diversity policy is a commitment to equality and respect. The full diversity policy can be found in the corporate governance section of the Company website.

The Company has a strong commitment to gender diversity and female participation is sought in all areas. Decisions relating to promotion, leadership development and flexible work arrangements are all based on merit and reinforce the importance of equality in the workplace. The Company has not at this time established measureable objectives for achieving gender diversity given the size of the team and the low staff turnover. Measurable objectives will be established when the Board considers that the Company has grown to a point where it is appropriate to do so.

Details of women employed by the Company as at 30 June 2013 are as follows:

| Level | Total | Women |
|--------------|--------------|--------------|
| Board | 6 | 0 |
| Management | 5 | 1 |
| Company | 8 | 2 |

Principle 4: Safeguard integrity in financial reporting

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, which advises the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate ethical standards for the management of the Group. The complete charter for the committee can be found in the corporate governance section of the Company website.

The members of the Committee are Mr Hazel (chairman), Mr Klingberg and Mr Poh, all of whom are independent non-executive directors. The Committee is responsible for:

- overseeing the integrity of the financial reporting process and ensuring that the financial statements adequately represent the Company's financial position, results of operations and cash flows;
- overseeing the Company's compliance with corporate policies that provide processes, procedures and standards to follow in accomplishing the Company's objectives;
- reviewing the Company's internal financial controls and internal control and risk management systems;
- making recommendations to the Board about the appointment of the Company's external auditor.

The Chief Executive Officer, Chief Financial Officer and external auditor are invited to attend meetings of the Audit and Risk Management Committee at the discretion of the committee.

Principle 5: Make timely and balanced disclosures

Continuous Disclosure Policy

The Directors are committed to keeping the market fully informed of material developments to ensure compliance with ASX listing rules and the Corporations Act 2001. Information which could be seen to affect the share price and which must be released in accordance with ASX's continuous disclosure regime is immediately made available to the public as a release to the ASX. The release is also placed on the Company's website. The Company's continuous disclosure policy sets out the requirements and processes put in place by the

Directors' Report

For the Year Ended 30 June 2013

Company to ensure that its obligations to disclose relevant information are met and to ensure accountability at senior executive level for that compliance. A complete version of the policy can be found in the corporate governance section of the Company website.

Principle 6: Respect the rights of shareholders

The Board has established a formal policy in relation to Communications with Shareholders which aims to promote communication with shareholders in a form and language intended to be easily understandable, and which encourages effective participation at general meetings. All shareholders are encouraged to attend and be heard at the Company's annual general meeting. The external auditor attends the Company's annual general meeting to respond to specific questions from shareholders regarding financial matters.

A complete version of the policy relating to Communications with Shareholders can be found in the corporate governance section of the Company website.

Principle 7: Recognise and manage risk

Audit and Risk Management Committee

The Board has established an Audit and Risk Management Committee, which advises the Board on the establishment and maintenance of a framework of internal control, risk management and appropriate ethical standards for the management of the Group. The complete charter for the Committee can be found in the corporate governance section of the Company website.

In the context of the existing framework of internal control and risk management the Chief Executive Officer and Chief Financial Officer manage the financial, legal and reputational risks of the Company on an ongoing basis.

The ongoing mitigation and management of material business risks is a standing item of business for the Audit and Risk Management Committee. During the year the committee received from management a report detailing the Company's material business risks and the internal controls in place to manage those risks. Both the committee and the Board as a whole are satisfied that those control mechanisms are appropriate at this point in time. The Company's material business risks are outlined in the document titled "Risk Factors", which is located in the corporate governance section of the Company website.

The financial reporting and internal control mechanisms are supported by declarations given by the Chief Executive Officer and Chief Financial Officer to the Audit and Risk Management Committee and the Board as a whole, which are in accordance with section 295A of the *Corporations Act 2001*.

Principle 8: Remunerate fairly and responsibly

Remuneration and Nomination Committee

The Board has a Remuneration and Nomination Committee of which Mr Hazel (chairman), Mr Klingberg and Mr Chrisp are members. The role of the Committee is to assist and advise the Board in relation to: the appointment of directors to the Board; the formulation of succession planning generally; and the formulation and review of remuneration policies.

The charter of the Remuneration and Nomination Committee and the process for selecting and appointing new Board members can be found in the corporate governance section on the Company website.

Details pertaining to the structure of executive and non-executive remuneration can be found in section 5 of the Directors' Report: the Remuneration Report.

Directors' Report

For the Year Ended 30 June 2013

5 Remuneration Report - audited

5.1 Principles of compensation

The remuneration report provides details of the remuneration of the Company's directors and the senior executives identified as those who had authority for planning, directing and controlling the Company's activities during the reporting period (key management personnel).

Total remuneration packages for directors and executives of the Group are competitively set to attract and retain appropriately qualified and experienced people. The Remuneration and Nomination Committee assists the Board in setting remuneration strategy. Furthermore, the Board has had reference to *The Gold and General Mining Industry Remuneration Report* – No 51, April 2013 published by McDonald and Company (Australasia) Pty Ltd (now AON Hewitt) in determining the appropriateness of the remuneration packages paid by the Company which takes account of trends in comparative companies and the objectives of the Company's remuneration strategy to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

Non-Executive Directors

Total compensation for all Non-Executive Directors, pursuant to the constitution must not exceed \$500,000 per annum. Fees were set with reference to standard practice by comparator companies. The Non-Executive Directors' fees remained unchanged for the current reporting period.

For the year ended 30 June 2013, the Non-Executive Directors' compensation comprised Directors' base fees of \$90,000 per annum for the Chairman and \$55,000 per annum for the other Non-Executive Directors. In addition, \$10,000 per annum was paid for membership of the Audit and Risk Management Committee or for representation on the board of Eyre Iron Pty Ltd, with an additional \$2,500 for the Chairman of the Audit and Risk Management Committee.

Superannuation is paid on behalf of the Non-Executive Directors at the rate of 9% per annum (9.25% from July 2013), as is legislated, however neither Mr Poh, Mr Chrisp, Mr Qi or Mr Lu were paid superannuation benefits. Messer's Poh, Chrisp, Qi and Lu were paid directly for the value of their superannuation entitlements.

Chief Executive Officer and Company Executives

Remuneration packages for the Chief Executive Officer and other Company executives include a mix of fixed and variable compensation, the variable compensation using short and long term incentives. The remuneration packages take into account market practice of comparable organisations within the industry and reflect capability, role and experience of each executive.

The fixed remuneration component (cash, superannuation and fringe benefits) was set by utilising industry surveys with particular reference to the practices of companies in the lowest quartile of the survey (i.e. those with a similar market capitalisation and with a similar sized workforce). Total remuneration (base salary packages and variable remuneration) provides the opportunity for executives to reach compensation levels in the next quartile as outlined within the industry surveys through the following variable awards:

- the Short Term Incentive ("STI") Plan, which awards a cash bonus of between 0% and 20% of base salary subject to individual and Company targets being met; and
- the Long Term Incentive ("LTI") Plan, under which the executive is granted incentive rights, some of which vest after an extended period of continuous employment (Retention Rights), the others vesting after an assessment of performance (Performance Rights).

Directors' Report

For the Year Ended 30 June 2013

5.1 Principles of compensation (continued)

Mr Ben Hammond

As Chief Development Officer, Mr Hammond's base package was \$310,000 for the 2013 financial year. Mr Hammond was also entitled to participate in the Company's STI scheme of up to 20% of the base package based on the achievement of certain key performance targets set by the board. To reflect Mr Hammond's appointment to Acting Chief Executive Officer on 13 February 2013, an additional amount of \$100,000 per annum was added to Mr Hammond's base salary. Mr Hammond was awarded an STI of 10% or \$35,086 for the 2013 financial year.

Mr Hammond was appointed Chief Executive Officer on 1 July 2013. In accordance with the terms of his service agreement Mr Hammond's remuneration package for the 2014 financial year is \$419,000.

If Mr Hammond's employment is terminated without cause or due to a failure to provide the services required under the agreement, he will be entitled to 6 months written notice (or payment of salary in lieu of) and any accrued but not yet paid salary and leave entitlements. He will also be entitled to any right or entitlement accrued under an incentive scheme (provided all necessary approvals have been obtained in relation to that right or entitlement before cessation of employment).

Where Mr Hammond's employment is terminated with cause, such as due to a serious or persistent breach of the terms of the agreement or the failure to comply with the lawful directions of the Board, notice of termination will be effective immediately without payment of any amount or the provision of any benefit, other than salary and leave entitlements accrued to the date of termination and not yet paid.

Mr Hammond is also entitled to participate in the company's short term and long term incentive schemes as outlined above.

Mr Jim White

Mr White resigned from the position of Managing Director effective from 1 July 2012.

A new service agreement was negotiated with Mr White for the 2013 financial year, providing for a remuneration package of \$169,264 for 2 days per week. Mr White is not entitled to participate in the company's short term or long term incentive schemes.

Mr White retired from the company on 30 June 2013. Mr White continues to be entitled to the 963,400 rights granted to him in the 2011 financial year subject to the satisfaction of certain performance conditions.

Other Executives considered to be Key Management Personnel

In addition to the Non-Executive Directors and executives listed above, the following persons are considered to be key management personnel of the Group:

- Mr Alastair Watts General Manager Exploration
- Mr Steve Brown Project Director – Eyre Iron Joint Venture
- Mr Gavin Bosch Chief Financial Officer
- Mr Phillip Staveley General Manager (resigned 5 February 2013)

The experience of these persons has been listed at section 2 of this Directors' Report.

Service Agreements

The Company has service contracts with each executive listed above. Except for Mr Staveley's contract each contract is for an unlimited term, but can be terminated by either party by giving up to three months written notice. The Company reserves the right to terminate the contract without notice in the event of misconduct or dishonesty.

CENTREX METALS LIMITED

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Directors' Report

For the Year Ended 30 June 2013

Remuneration of Key Management Personnel (KMP) (Consolidated)

Details of the nature and amount of each major element of remuneration of each of the KMP are:

| | | | Short-term | | | Post Employment | Share-based payments ⁽⁴⁾ | Termination | Other long term benefits ⁽⁵⁾ | Total | Performance related | Options / Rights related |
|--------------------------------------|----------|------|---------------|-------------------------------|-----------------------|--------------------------|-------------------------------------|-------------|---|---------|---------------------|--------------------------|
| | | | Salary & fees | STI cash bonus ⁽³⁾ | Non-monetary benefits | Super-annuation benefits | | | | | | |
| | | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % |
| Current Directors | | | | | | | | | | | | |
| Mr D Klingberg | Non-exec | 2013 | 100,000 | - | - | 9,000 | - | - | - | 109,000 | - | - |
| | | 2012 | 100,000 | - | - | 9,000 | - | - | - | 109,000 | - | - |
| Mr J Hazel | Non-exec | 2013 | 67,500 | - | - | 6,075 | - | - | - | 73,575 | - | - |
| | | 2012 | 67,500 | - | - | 6,075 | - | - | - | 73,575 | - | - |
| Mr K Poh | Non-exec | 2013 | 70,850 | - | - | - | - | - | - | 70,850 | - | - |
| | | 2012 | 70,850 | - | - | - | - | - | - | 70,850 | - | - |
| Mr G Chrisp | Non-exec | 2013 | 59,950 | - | - | - | - | - | - | 59,950 | - | - |
| | | 2012 | 59,950 | - | - | - | - | - | - | 59,950 | - | - |
| Mr J den Dryver | Non-exec | 2013 | 65,000 | - | - | 5,850 | - | - | - | 70,850 | - | - |
| | | 2012 | 65,000 | - | - | 5,850 | - | - | - | 70,850 | - | - |
| Mr B Lu ⁽¹⁾ | Non-exec | 2013 | 44,962 | - | - | - | - | - | - | 44,962 | - | - |
| | | 2012 | - | - | - | - | - | - | - | - | - | - |
| Former Directors | | | | | | | | | | | | |
| Mr J White Managing Director | | 2013 | 112,855 | - | 7,148 | 10,157 | 53,844 | - | - | 184,004 | - | 29 |
| | | 2012 | 385,321 | - | 5,634 | 40,217 | 116,978 | - | 4,683 | 552,833 | - | 21 |
| Mr X Yin ⁽²⁾ | Non-exec | 2013 | 14,988 | - | - | - | - | - | - | 14,988 | - | - |
| | | 2012 | 54,954 | - | - | - | - | - | - | 54,954 | - | - |
| Total compensation: Directors | | | | | | | | | | | | |
| | | 2013 | 536,105 | - | 7,148 | 31,082 | 53,844 | - | - | 628,179 | | |
| | | 2012 | 803,575 | - | 5,634 | 61,142 | 116,978 | - | - | 992,012 | | |

(1) Mr Lu was appointed Non-executive Director on 18 September 2012.

(2) Mr Yin resigned as a Non-executive Director on 18 September 2012.

CENTREX METALS LIMITED

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Directors' Report

For the Year Ended 30 June 2013

Remuneration of Key Management Personnel (KMP)

Details of the nature and amount of each major element of remuneration of each of the key management personnel are:

| | | Short-term | | | Post Employment | Share- based payments ⁽⁴⁾ | Termination | Other long term benefits ⁽⁵⁾ | Total | Perfor- mance related | Options / Rights related |
|--|------|------------------|----------------------------------|------------------------------|---------------------------------|--|-------------|---|-----------|-----------------------------|--------------------------------|
| | | Salary & fees | STI cash bonus ⁽³⁾ | Non- monetary benefits | Super- annuation benefits | | | | | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | % | % |
| <u>Executives</u> | | | | | | | | | | | |
| Mr B Hammond ⁽⁶⁾ | 2013 | 327,724 | 32,115 | 6,312 | 21,908 | 44,605 | - | 41,878 | 474,542 | 7 | 9 |
| Chief Executive Officer | 2012 | 238,000 | 48,286 | 5,278 | 25,332 | 17,876 | - | 11,323 | 346,095 | 14 | 5 |
| Mr A Watts | 2013 | 247,511 | 17,300 | 6,312 | 19,889 | 39,672 | - | 21,670 | 352,354 | 5 | 11 |
| GM Exploration | 2012 | 207,000 | 42,086 | 5,278 | 22,016 | 16,130 | - | 12,401 | 304,911 | 14 | 5 |
| Mr S Brown | 2013 | 239,266 | 21,831 | 6,312 | 23,553 | 44,407 | - | 2,636 | 338,005 | 6 | 13 |
| Project Director - JV | 2012 | 196,000 | 39,886 | 5,278 | 19,272 | 21,402 | - | 2,728 | 284,566 | 14 | 8 |
| Mr G Bosch | 2013 | 192,661 | 13,455 | - | 18,584 | 28,519 | - | 13,957 | 267,176 | 5 | 11 |
| Chief Financial Officer | 2012 | 183,000 | 23,790 | - | 19,420 | 12,704 | - | 6,676 | 245,590 | 10 | 5 |
| <u>Former Executives</u> | | | | | | | | | | | |
| Mr P Staveley | 2013 | 242,262 | - | 3,285 | 22,939 | - | - | - | 268,486 | - | - |
| General Manager | 2012 | 62,254 | 12,616 | 1,319 | 5,603 | - | - | 373 | 82,165 | 15 | - |
| Total compensation: Executives | 2013 | 1,249,424 | 84,701 | 22,221 | 106,873 | 157,203 | - | 80,141 | 1,700,563 | | |
| | 2012 | 886,254 | 166,664 | 17,153 | 91,643 | 68,112 | - | 33,501 | 1,263,327 | | |
| | | | | | | | | | | | |
| Total compensation: Directors (see previous page) | 2013 | 536,105 | - | 7,148 | 31,082 | 53,844 | - | - | 628,179 | | |
| | 2012 | 803,575 | - | 5,634 | 61,142 | 116,978 | - | 4,683 | 992,012 | | |
| | | | | | | | | | | | |
| Total compensation: KMP | 2013 | 1,785,529 | 84,701 | 29,369 | 137,955 | 211,047 | - | 80,141 | 2,328,742 | | |
| | 2012 | 1,689,829 | 166,664 | 22,787 | 152,785 | 185,090 | - | 38,184 | 2,255,339 | | |

(3) STI represents the amount of the STI or bonus that will be paid to the executive for 2013 performance.

(4) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity linked compensation determined as at the grant date and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that the Senior Executives may ultimately realise should the equity instruments vest.

(5) Other long term benefits represents the movement in the Senior Executive's long service leave entitlements measured as the present value of the estimated future cash outflows to be made in respect of the Senior Executive's service between the respective reporting dates.

(6) Mr Hammond was appointed to the position of Chief Executive Officer on 1 July 2013. Prior to this he held the position of Acting CEO and Chief Development Officer.

CENTREX METALS LIMITED

A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

5 Remuneration Report – audited (continued)

Consequences of performance on shareholder wealth

The variable components of the Company's executives' remuneration (the short and long term incentives) seek to encourage alignment of management performance and shareholders' interests by linking remuneration to performance of the Company as a whole.

The award of any short term or long term incentive is always at the discretion of the Board which will also take into account the following indices when assessing performance, although the Board acknowledges that as an exploration company the use of such indices does not fully reflect Company performance.

| | 2013 | 2012 | 2011 | 2010 | 2009 |
|---|-------------|-----------|--------------|---------------|---------------|
| Profit / (loss) attributable to owners of the company | \$1,004,564 | \$673,476 | \$47,528,580 | (\$1,837,302) | (\$2,181,115) |
| Dividends paid | \$0.05 | - | - | - | - |
| Share price at 30 June | \$0.13 | \$0.19 | \$0.32 | \$0.43 | \$0.26 |

Short Term Incentive – Cash Bonus

Key performance indicators which must be achieved to be awarded the short term incentive (cash bonus) relate to overall Company performance, business unit performance and individual performance set by the Board and the Managing Director/General Manager/Chief Executive Officer for the relevant period. The key performance indicators relating to overall Company performance for the relevant period related to:

- Success of the Company's exploration program evidenced by the increase of mineral resources;
- Achieving operational milestones;
- Implementing the Company's stated strategic plan.

The Company accrued the following cash bonuses for short term incentives to key management personnel and Company executives during the year:

| Director / Company Executive | | Amount Accrued For Year Ended 30 June 2013 | | |
|------------------------------|--|--|-----------|--------------------------|
| | | Awarded | Forfeited | Included in Remuneration |
| | | % | % | \$ |
| Mr J White | Managing Director (retired 30 June 2013) | 0 | 100 | 0 |
| Mr P Staveley | General Manager (resigned 5 February 2013) | 0 | 100 | 0 |
| Mr B Hammond | Chief Executive Officer | 50 | 50 | 35,086 |
| Mr A Watts | General Manager Exploration | 35 | 65 | 18,900 |
| Mr S Brown | General Manager Engineering | 45 | 55 | 23,850 |
| Mr G Bosch | General Manager Finance | 35 | 65 | 14,700 |

Long Term Incentive – Equity based

The Company's Long Term Incentive Plan is intended to reward efforts and results that promote long term growth in shareholder value. The key performance indicator which must be achieved for the vesting of Company executives' Performance Rights is the growth in the Company's share price.

The other component of the long term incentive plan is the grant of Retention Rights. Retention Rights vest on the completion of a period of service with the Company. The purpose of granting Retention Rights is to retain executives who over the time of their employment accumulate significant intellectual property of value to the Company, and to ensure the continuity of that knowledge and in turn promote a stable and efficient executive team.

CENTREX METALS LIMITED

A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

5 Remuneration Report – audited (continued)

Rights

The Company issued the following rights to directors and key management personnel during the year:

| <u>Company Executives</u> | | <u>Retention Rights</u> | <u>Grant Date</u> | <u>No. Rights</u> | <u>Fair value</u> | <u>Exercise Price</u> | <u>Vesting Date</u> | <u>Expiry</u> |
|---------------------------|--------------------------------|-------------------------|-------------------|-------------------|-------------------|-----------------------|---------------------|---------------|
| Mr B Hammond | Chief Executive Officer | 2015 Ret Rights | 12/11/12 | 326,316 | \$55,473 | \$0.00 | 01/07/15 | 31/07/15 |
| Mr A Watts | GM Exploration | 2015 Ret Rights | 12/11/12 | 284,211 | \$48,316 | \$0.00 | 01/07/15 | 31/07/15 |
| Mr S Brown | GM Engineering | 2015 Ret Rights | 12/11/12 | 139,474 | \$23,710 | \$0.00 | 01/07/15 | 31/07/15 |
| Mr G Bosch | Chief Financial Officer | 2015 Ret Rights | 12/11/12 | 110,526 | \$18,789 | \$0.00 | 01/07/15 | 31/07/15 |

| | | <u>Performance Rights</u> | <u>Grant Date</u> | <u>No. Rights</u> | <u>Fair value</u> | <u>5VWAP⁽¹⁾</u> | <u>Vesting Date</u> | <u>Expiry</u> |
|--------------|--------------------------------|---------------------------|-------------------|-------------------|-------------------|----------------------------|---------------------|---------------|
| Mr B Hammond | Chief Executive Officer | 2015 Per Rights | 12/11/12 | 326,316 | \$24,393 | \$0.50 | 01/07/15 | 31/07/15 |
| Mr A Watts | GM Exploration | 2015 Per Rights | 12/11/12 | 284,211 | \$21,245 | \$0.50 | 01/07/15 | 31/07/15 |
| Mr S Brown | GM Engineering | 2015 Per Rights | 12/11/12 | 418,421 | \$31,278 | \$0.50 | 01/07/15 | 31/07/15 |
| Mr G Bosch | Chief Financial Officer | 2015 Per Rights | 12/11/12 | 331,579 | \$24,786 | \$0.50 | 01/07/15 | 31/07/15 |

(1) 5 day traded volume weighted average share price.

The key features of the Company's Long Term Incentive Plan adopted by the Board are as follows:

- Executives and other Company employees are eligible to participate in the plan however Non-Executive Directors are not eligible;
- Incentive rights will be awarded annually and will be divided into Retention Rights and Performance Rights;
- Retention Rights will ordinarily vest after three years of continuous employment;
- In addition to the service period requirement, Performance Rights will have a share price hurdle to be met at vesting date. The share price hurdle will be set annually by the Board; and
- The Board has ultimate discretion over the operation of the Incentive Plan.

6. Principal Activity

The principal activity of the Group during the reporting year was iron ore exploration on wholly owned tenements in conjunction with joint venture partners Wuhan Iron & Steel (Group) Co. ("WISCO") and Baotou Iron & Steel (Group) Co. ("Baotou").

Directors' Report

For the Year Ended 30 June 2013

7. Operating and Financial Review

A review of the operations of the Group during the year and the results of those operations are as follows:

The net profit for the reporting year, after providing for income tax was:

| | Consolidated | |
|-----------------------------|---------------------|-------------|
| | 2013 | 2012 |
| | \$ | \$ |
| Net profit after income tax | 1,004,564 | 673,476 |

The Group incurred expenditure of \$1,427,324 (2012: \$359,622) on mineral tenements during the year. Further details can be found in Section 10 of this Directors' Report and Note 8 to the financial statements.

Further information on the Group's operating activities can be found in the Operations Report.

8. Dividends

On 13 February 2013, the Directors declared a special dividend of 5 cents per share, fully franked at the 30% tax rate, on each of the issued ordinary shares of the company.

9. Events subsequent to year end

Subsequent to year end, the company signed a non-binding Memorandum of Understanding (MOU) with Wuhan Iron & Steel (Group) Co. (WISCO) for proposed amendments to the partner's Eyre Iron Magnetite Joint Venture (the JV) of which the company holds a 40% interest. The principal terms of the MOU are as follows:

- The JV to move back into a Prefeasibility Study to allow assessment of new deposits within the Fusion Project. The JV has approximately \$9m of existing funding and the company and WISCO would jointly contribute a target of \$10m in additional funding to complete the Prefeasibility Study;
- Upon completion of a Prefeasibility Study if WISCO and the company wish to progress the project, two options can be taken:
 - Option 1 – the joint venture would be incorporated and a listing sought on the ASX to raise funds for the completion of a Bankable Feasibility Study, with WISCO underwriting any shortfall up to a maximum of 25% and the company being diluted to no less than 30%.
 - Option 2 – WISCO and the company to work together to bring a third party investor into the joint venture to provide funding for the completion of a Bankable Feasibility Study, with the company again being diluted to no less than 30%.
- In return for this new funding path for the bankable Feasibility Study, the company will relinquish its entitlements to any resource incentive payments payable under the original agreement;
- WISCO also to agree to remove the obligation that the company must dilute in proportion if 1Bt of Inferred Resources are not defined within the joint venture during the first 7 years;
- If WISCO does not wish to proceed after completion of any resulting Prefeasibility Study then the company and WISCO will work together to conduct a trade sale for the joint venture.

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

10. Likely Developments

The mineral tenements currently held 100% by the Group and available for mineral exploration, have the following spending covenants for the 24 month period ending 31 January 2014 to maintain exploration rights:

| Tenement | Held by | Covenant | Expiry |
|---|----------------|------------------|-------------------|
| | | \$ | |
| <u>Northern Area</u> | | | |
| Gilles Downs EL 4571 previously EL 3375 | CXM(i) | | 4 October 2014 |
| Bungalow/Minbrie EL 4884 previously EL 3610 | (a) CXM(i) | | 13 August 2015 |
| Cockabidnie EL 4883 previously EL 3609 | CXM (i) | | 13 August 2015 |
| Kimba Gap EL 5170 previously 3968 | SAIOG(ii) | | 4 November 2014 |
| Ironstone Hut EL 5245 previously EL 3999 | SAIOG(ii) | | 11 December 2014 |
| Whyalla ('Ironstone Hill') EL TBA prev. EL 4185 | SAIOG(ii) | | 17 September 2015 |
| Stony Hill EL 4451 previously EL 3287 | SAIOG(ii) | | 14 March 2015 |
| Total Northern Area covenant | | 1,500,000 | |
| <u>Southern Area</u> | | | |
| Wanilla EL 4384 previously EL 3269 | (b) CXM(i) | | 15 November 2015 |
| Wilgerup EL 4467 previously EL 3317 | CXM(i) | | 18 April 2014 |
| Greenpatch EL 4885 previously EL 3611 | (b) CXM(i) | | 13 August 2013 # |
| Dutton Bay EL 4605 previously EL 3421 | (b) CXM(i) | | 16 November 2015 |
| Mount Hill EL 5065 previously EL 3877 | (b) SAIOG(ii) | | 5 August 2014 |
| Carrow EL 4998 previously EL 3731 | (b) SAIOG(ii) | | 11 April 2014 |
| Total Southern Area covenant | | 1,520,000 | |
| | | <u>3,020,000</u> | |

- (i) Centrex Metals Limited ("CXM")
- (ii) South Australian Iron Ore Group Pty Limited ("SAIOG")
- (a) Baotou Iron and Steel (Group) Limited acquired 30% of the iron ore rights to this tenement on 28 November 2011 following the third phased payment to the Bungalow joint venture account.
- (b) Wuhan Iron and Steel (Group) Limited acquired 60% of the iron ore rights to these tenements on 7 July 2010 following financial close of the Eyre Peninsula joint venture agreement.
- # These tenements are in the process of being renewed. The Company has no reason to suspect that renewals will be denied by the department of Primary Industries and Resources SA (PIRSA).

The Group also holds 100% of the mineral tenements listed below with the following annual spending covenants to maintain exploration rights:

| Tenement | Held by | Covenant | Expiry |
|--|----------------|-----------------|------------------|
| | | \$ | |
| <u>Other Areas</u> | | | |
| Lock EL 4588 previously EL 3401 | CXM(iii) | 70,000 | 1 November 2013 |
| Goulburn (NSW) EL 7388 | CXM(iii) | 111,000 | 20 August 2013 # |
| Archer (NSW) EL 7503 | CXM(iii) | 46,000 | 7 April 2014 |
| Gundaroo (NSW) EL 8133 | LM(iv) | 70,000 | 5 January 2015 |
| Industrial Minerals (NSW) EL 8098 | CXM(iii) | 32,250 | 3 May 2015 |
| | | <u>329,250</u> | |
| (iii) Centrex Metals Limited ("CXM") | | | |
| (iv) Lachlan Metals Pty Ltd | | | |
| # These tenements are in the process of being renewed. The Company has no reason to suspect that renewals will be denied by the relevant department. | | | |

The covenants are subject to annual renegotiation and have not been provided for in the financial statements but rather disclosed as commitments in Note 19. At the time of preparing this report, the negotiations for the extension of tenement licences for northern and southern areas had been completed however the "other areas" were still pending.

CENTREX METALS LIMITED
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Directors' Report

For the Year Ended 30 June 2013

10. Likely Developments (continued)

The Group proposes to continue exploration of its tenements during the coming year with the aim of increasing the Group's resource base of iron ore. The Group has also undertaken extensive work on a pre-feasibility study at Wilgerup (see the Operations report for further detail).

The Directors have assessed the status of all of the Group's tenements and believe all tenements have sufficient remaining mineral potential to warrant continued exploration. Tenement exploration will continue to be prioritised aimed to maximise the benefit to be received from exploration.

Lincoln Minerals Limited (previously Centrex Exploration Limited) has the right to explore for and exploit minerals other than iron ore on the above tenements held by Centrex Metals Limited in the Northern Area and Southern Area listed above.

Cockabidnie North EL3498

Centrex Metals Limited has the sole right to explore for and exploit iron ore on EL 4539 (previously EL3498) which is held by Lincoln Minerals Limited (previously Centrex Exploration Limited) as per the Supplementary Agreement between Lincoln Minerals Limited and Centrex Metals Limited dated 21st March 2006.

11. Directors' Interests in Shares and Options

The relevant interest of each Director in the shares or options over such instruments issued by the Company and other related bodies corporate, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

| Name | No. of Shares held | No. of Options held | |
|--|--------------------|---------------------|--------------|
| | | Number | Price/Expiry |
| Patna Properties Pty Ltd (a company associated with Mr D Klingberg) | 1,347,000 | - | - |
| Mr Kiat Poh | 1,918,880 | - | - |
| South Cove Ltd (a company associated with Mr Graham Chrisp) | 80,876,005 | - | - |
| SEL Holding Ltd (a company associated with Mr Graham Chrisp) | 16,198,000 | - | - |
| Lodge Ltd (a company associated with Mr Graham Chrisp) | 4,366,667 | - | - |
| Wugang Australian Resources Investment Pty Ltd (a company associated with Mr Xiaopeng Yin, Mr Chaoying Qi, Mr Haiming Zhao and Mr Bingqiang Lu). | 40,399,599 | - | - |
| Candlegrove Pty Ltd (a company associated with Mr Jim Hazel) | 250,000 | - | - |
| Mr John den Dryver | - | - | - |

Other than transactions as detailed in Note 18 to the financial statements, no director has received or become entitled to receive, during or since the end of the reporting year, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or a Company in which a director has a substantial financial interest.

CENTREX METALS LIMITED
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Directors' Report

For the Year Ended 30 June 2013

12. Share Options

Options and Rights granted to Directors and executives of the Group

During or since the end of the financial year, the Company granted options and rights for no consideration over unissued ordinary shares in the Company to the following executives of the Group:

| <u>Company</u> | <u>Executives</u> | <u>Retention Rights</u> | <u>Grant Date</u> | <u>No. Rights</u> | <u>Fair value</u> | <u>Exercise Price</u> | <u>Vesting Date</u> | <u>Expiry</u> |
|----------------|-------------------------|-------------------------|-------------------|-------------------|-------------------|-----------------------|---------------------|---------------|
| Mr B Hammond | Chief Executive Officer | 2015 Ret Rights | 12/11/12 | 326,316 | \$55,473 | \$0.00 | 01/07/15 | 31/07/15 |
| Mr A Watts | GM Exploration | 2015 Ret Rights | 12/11/12 | 284,211 | \$48,316 | \$0.00 | 01/07/15 | 31/07/15 |
| Mr S Brown | GM Engineering | 2015 Ret Rights | 12/11/12 | 139,474 | \$23,710 | \$0.00 | 01/07/15 | 31/07/15 |
| Mr G Bosch | Chief Financial Officer | 2015 Ret Rights | 12/11/12 | 110,526 | \$18,789 | \$0.00 | 01/07/15 | 31/07/15 |

| | | <u>Performance Rights</u> | <u>Grant Date</u> | <u>No. Rights</u> | <u>Fair value</u> | <u>5VWAP</u> | <u>Vesting Date</u> | <u>Expiry</u> |
|--------------|-------------------------|---------------------------|-------------------|-------------------|-------------------|--------------|---------------------|---------------|
| Mr B Hammond | Chief Executive Officer | 2015 Per Rights | 12/11/12 | 326,316 | \$24,393 | \$0.50 | 01/07/15 | 31/07/15 |
| Mr A Watts | GM Exploration | 2015 Per Rights | 12/11/12 | 284,211 | \$21,245 | \$0.50 | 01/07/15 | 31/07/15 |
| Mr S Brown | GM Engineering | 2015 Per Rights | 12/11/12 | 418,421 | \$31,278 | \$0.50 | 01/07/15 | 31/07/15 |
| Mr G Bosch | Chief Financial Officer | 2015 Per Rights | 12/11/12 | 331,579 | \$24,786 | \$0.50 | 01/07/15 | 31/07/15 |

Unissued shares under options / rights

At the date of this report unissued ordinary shares of the Company under options or rights as detailed in Note 15 to the financial statements are:

| <u>Option / Right class</u> | <u>Expiry date</u> | <u>Exercise price</u> | <u>Unissued shares at 30 June 2013</u> | <u>No. cancelled since 30 June 2013</u> | <u>No. exercised since 30 June 2013</u> | <u>No. of unissued shares</u> |
|-----------------------------|--------------------|-----------------------|--|---|---|-------------------------------|
| 2014 Exec Plan | 30 Jun 2014 | \$0.42 | 750,000 | - | - | 750,000 |
| 2014 Retention Rights | 31 Jul 2014 | \$0.00 | 1,263,400 | - | - | 1,263,400 |
| 2014 Perform. Rights | 31 Jul 2014 | \$0.75 | 1,050,000 | - | - | 1,050,000 |
| 2014 Perform. Rights | 31 Jul 2014 | \$0.80 | 50,000 | - | - | 50,000 |
| 2014 Perform. Rights | 31 Jul 2014 | \$0.90 | 100,000 | - | - | 100,000 |
| 2014 Perform. Rights | 31 Jul 2014 | \$1.00 | 100,000 | - | - | 100,000 |
| 2015 Perform. Rights | 31 Jul 2015 | \$0.50 | 1,592,948 | - | - | 1,592,948 |
| 2015 Retention Rights | 31 July 2015 | \$0.00 | 938,001 | - | - | 938,001 |

Shares issued on exercise of options or vesting of rights

During or since the end of the financial year, there were no options exercised or rights vested and consequently no ordinary shares were issued by the Company. The balance of unissued shares as a result of options and rights issued are as follows:

| <u>Timing</u> | <u>Amount paid on each share</u> | <u>No. of shares</u> |
|--|----------------------------------|----------------------|
| No. of unissued shares at 30 June 2012 | | 3,350,000 |
| New rights issued during the 12 months ending 30 June 2013 | - | 2,530,949 |
| Expired options / rights during the period | - | (36,600) |
| No. of unissued shares at report date | | 5,844,349 |

Directors' Report

For the Year Ended 30 June 2013

13. Indemnification and insurance of Directors and Officers

Directors' and Officers' Liability Insurance has been secured to insure the Directors, officers and senior executives of the Group to the extent permitted by the Corporations Act 2001. The officers of the Company and the Group covered by the insurance policy include any person acting in the course of duties for the Company or the Group who is or was a Director, secretary or senior executive. The contract of insurance prohibits the disclosure of the nature of the insurance covered and the amount of the premium.

The Company's constitution provides that the Company indemnifies every person who is or has been an officer of the Company for any liability (other than for legal costs) incurred by that person as an officer of the Company and any subsidiary of the Company. The Company has entered into deeds of access, insurance and indemnity with the current Directors of the Company. The agreements indemnify the Directors to the extent permitted by law against certain liabilities and legal costs incurred by the Directors; require the Company to maintain and pay Directors' and Officers' Liability Insurance in respect of the Director; and provide the Director with access to board papers and other documents.

14. Environmental Regulation and Performance

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the period under review the majority of work carried out was on the Eyre Peninsula, South Australia and the Group followed procedures and pursued objectives in line with requirements published by DMITRE the relevant regulator. These requirements are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable. The Group and its partner companies have individuals with detailed job responsibilities in this area.

The Board is unaware of any significant environmental breaches during the period covered by this report.

15. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Directors' Report

For the Year Ended 30 June 2013

Details of the amounts paid or accrued to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

| | Consolidated | |
|---|---------------------|----------------|
| | <u>2013</u> | <u>2012</u> |
| | \$ | \$ |
| Audit Services | 87,000 | 88,250 |
| Other services - taxation services | 79,079 | 20,839 |
| Other services - research & development taxation services | - | 18,000 |
| Auditor's of the company - KPMG | <u>166,079</u> | <u>127,089</u> |

16. Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 35 and forms part of the Directors' Report for the financial year ended 30 June 2013.

Signed in accordance with a Resolution of the Board of Directors:



.....

Mr David Klingberg AO

Dated at Adelaide this 20th day of September 2013.



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To: the directors of Centrex Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the audit for the financial year ended 30 June 2013 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to be 'KPMG'.

KPMG

A handwritten signature in black ink, appearing to be 'S. G. Fleming'.

Scott Fleming
Partner

Adelaide

20 September 2013

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2013

| | Note | 2013 \$ | 2012 \$ |
|--|------|------------------------|------------------------|
| Other income | 2 | 43,850 | 1,788,883 |
| Office and administration expenses | | (538,794) | (518,590) |
| Consultants and management expenses | | (488,903) | (985,217) |
| Directors' fees | | (423,250) | (418,254) |
| Employee benefit expenses | 2 | (1,878,896) | (1,547,396) |
| Depreciation expense | 9 | (212,991) | (212,462) |
| Port feasibility expenses | 2 | - | (1,520,459) |
| Exploration expenditure written off | | - | (11,974) |
| Other expenses | | (331,318) | (318,749) |
| Results from operating activities | | (3,830,302) | (3,744,218) |
| Finance income | 2 | 5,173,619 | 4,534,022 |
| Finance benefit | 7 | 244,343 | 233,319 |
| Finance costs | | (6,450) | - |
| Net finance income | | 5,411,512 | 4,767,341 |
| Profit before income tax | | 1,581,210 | 1,023,123 |
| Income tax expense | 4 | (576,646) | (349,647) |
| Profit for the period | | 1,004,564 | 673,476 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the period | | 1,004,564 | 673,476 |
| Profit attributable to: | | | |
| Owners of the Company | | 1,004,564 | 673,476 |
| Profit for the period | | 1,004,564 | 673,476 |
| Earnings per share for profit attributable to the ordinary equity holders of the company: | | Cents per share | Cents per share |
| Basic earnings per share | 5 | 0.3203 | 0.2148 |
| Diluted earnings per share | 5 | 0.3199 | 0.2145 |

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated financial report.

CENTREX METALS LIMITED
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Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2013

| | Issued ordinary no. shares | Contributed equity \$ | Share Options reserve \$ | Retained earnings \$ | Total \$ |
|---|-------------------------------|-----------------------------|--------------------------------|----------------------------|-------------------|
| <u>Current Period</u> | | | | | |
| Balance at 30 June 2012 | <u>313,600,904</u> | <u>41,330,328</u> | <u>1,712,711</u> | <u>41,477,146</u> | <u>84,520,185</u> |
| Profit for the period added to the Profit Reserve | | - | - | 1,004,564 | 1,004,564 |
| Other comprehensive income | | - | - | - | - |
| Total Comprehensive Income for the Period | | - | - | 1,004,564 | 1,004,564 |
| Contributions from/to equity owners | | | | | |
| Dividends to equity holders | | - | - | (15,680,045) | (15,680,045) |
| Share-based payment transactions | | - | 326,594 | - | 326,594 |
| Balance at 30 June 2013 | <u>313,600,904</u> | <u>41,330,328</u> | <u>2,039,305</u> | <u>26,801,665</u> | <u>70,171,298</u> |
| <u>Prior Period</u> | | | | | |
| Balance at 30 June 2011 | <u>313,165,264</u> | <u>41,330,328</u> | <u>1,504,171</u> | <u>40,803,670</u> | <u>83,638,169</u> |
| Profit for the period | | - | - | 673,476 | 673,476 |
| Other comprehensive income | | - | - | - | - |
| Total Comprehensive Income for the Period | | - | - | 673,476 | 673,476 |
| Contributions from/to equity owners | | | | | |
| Contributions from equity holders | 435,640 | - | - | - | - |
| Share issue costs | | - | - | - | - |
| Share-based payment transactions | | - | 208,540 | - | 208,540 |
| Balance at 30 June 2012 | <u>313,600,904</u> | <u>41,330,328</u> | <u>1,712,711</u> | <u>41,477,146</u> | <u>84,520,185</u> |

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated financial report.

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Consolidated Statement of Financial Position

As at 30 June 2013

| | Note | As at 30 June 2013 \$ | 30 June 2012 \$ |
|--|------|-----------------------------|--------------------|
| Assets | | | |
| Cash and cash equivalents | 6 | 10,005,832 | 1,852,376 |
| Term deposits | 6 | 35,914,215 | 61,771,160 |
| Receivables | 7 | 3,182,443 | 1,061,099 |
| Total Current Assets | | <u>49,102,490</u> | <u>64,684,635</u> |
| Exploration and evaluation expenditure | 8 | 15,739,671 | 14,312,347 |
| Land and buildings | 9 | 5,606,377 | 5,638,499 |
| Plant and equipment | 9 | 194,688 | 347,471 |
| Receivables | 7 | 5,416,137 | 5,171,794 |
| Total Non-Current Assets | | <u>26,956,873</u> | <u>25,470,111</u> |
| Total assets | | <u>76,059,363</u> | <u>90,154,746</u> |
| Liabilities | | | |
| Trade and other payables | 10 | 409,293 | 572,849 |
| Employee benefits | 11 | 184,405 | 177,527 |
| Total Current Liabilities | | <u>593,698</u> | <u>750,376</u> |
| Deferred income tax liabilities | 4 | 5,125,787 | 4,772,176 |
| Employee benefits | 11 | 168,580 | 112,009 |
| Total Non-Current Liabilities | | <u>5,294,367</u> | <u>4,884,185</u> |
| Total Liabilities | | <u>5,888,065</u> | <u>5,634,561</u> |
| Net assets | | <u>70,171,298</u> | <u>84,520,185</u> |
| Equity | | | |
| Contributed equity | | 41,330,328 | 41,330,328 |
| Share options reserve | | 2,039,305 | 1,712,711 |
| Retained earnings | | <u>26,801,665</u> | <u>41,477,146</u> |
| Total equity | | <u>70,171,298</u> | <u>84,520,185</u> |

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated financial report.

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2013

| | Note | 2013 \$ | 2012 \$ |
|---|----------|--------------|--------------|
| Cash flows from operating activities | | | |
| Lease income received | | 35,857 | 38,813 |
| Payments to suppliers and employees | | (3,442,558) | (9,446,758) |
| Interest paid | | (6,450) | - |
| Income taxes (paid) / received | | (502,276) | (13,135,597) |
| Net cash from / (used in) operating activities | 21(b) | (3,915,427) | (22,543,542) |
| Cash flows from investing activities | | | |
| Expenditure on mining tenements | 8 | (1,458,652) | (359,662) |
| Expenditure on mining tenements - joint ventures | | (906,739) | (1,829,710) |
| Reimbursements of expenditure on mining tenements - joint ventures | | 1,127,644 | 1,738,149 |
| Proceeds on disposal of interest in tenements | | - | 26,000,000 |
| Interest received | | 3,154,179 | 4,126,915 |
| Acquisition of land and buildings and plant and equipment | 9 | (28,085) | (141,020) |
| Proceeds on disposal of plant and equipment | | 3,636 | 34,850 |
| Net cash from / (used in) investing activities | | 1,891,983 | 29,569,522 |
| Cash flows from financing activities | | | |
| Dividends paid | | (15,680,045) | - |
| Net cash from / (used in) financing activities | | (15,680,045) | - |
| Net increase / (decrease) in cash before transfers (to) / from term deposits | | (17,703,489) | 7,025,980 |
| Cash transferred (to) / from term deposits | (i) | 25,856,945 | (23,329,931) |
| Net increase / (decrease) in cash | | 8,153,456 | (16,303,951) |
| Cash at the beginning of the year | | 1,852,376 | 18,156,327 |
| Cash at the end of the year | 6, 21(a) | 10,005,832 | 1,852,376 |

(i) The weighted average term of all term deposits above 90 days is 157 days (2012: 159 days).

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated financial report.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Centrex Metals Limited (the 'Company') is a company domiciled in Australia. The registered office is Level 11, 147 Pirie Street Adelaide, SA 5000. The consolidated financial report of the Company for the financial year ended 30 June 2013 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for profit entity and is primarily involved in minerals exploration in Australia.

The financial report was authorised for issue by the directors on 20 September 2013.

a) Statement of Compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ('AASBs') (including Australian Interpretations) adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial statements of the Group complies with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

b) Basis of Measurement and Presentation

The financial report is presented in Australian dollars, which is the Group's functional currency.

It has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or current valuations of non-current assets.

c) Accounting estimates and judgements

Management discussed with the Audit and Risk Management Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

Exploration, evaluation and development assets – Note 1(j)

Determining the recoverability of exploration, evaluation and development expenditure capitalised in accordance with the Group's accounting policy (refer Note 1(j)), requires estimates and assumptions as to future events and circumstances in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment is estimates and assumptions as to ore reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore reserve becomes available, may impact the assessment of the recoverable amount of exploration, evaluation and development assets. If, after having capitalised the expenditure under policy 1(j), a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in accordance with accounting policy 1(o).

Stamp Duty Receivable

Determining the recoverability of Stamp Duty requires an assessment of the progress of the Eyre Peninsula Joint Venture in achieving JORC Inferred Resources in excess of 1.25Bt, and thus the ability to recover the stamp duty from WISCO, the Eyre Peninsula Joint Venture partner. Alternatively these funds are recoverable from RevenueSA, to whom the stamp duty was originally paid. Further information about the receivable can be found in Note 7 – Receivables.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Principles of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The consolidated financial statements of the Group include the financial statements of the Company, being the parent entity, and its wholly owned subsidiaries, from the date that control commences until the date control ceases:

- DSO Development Pty Ltd
- Flinders Pastoral Pty Ltd
- Lachlan Metals Pty Ltd
- New Seam Coal Pty Ltd
- Port Spencer Holdings Pty Ltd
- South Australia Iron Ore Group Pty Ltd
- Sturt Pastoral Pty Ltd

In addition, the company holds a 50% interest in the port joint venture entity Port Spencer Pty Ltd.

Joint ventures

Joint ventures are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

Jointly controlled operations and assets

The interest of the consolidated entity in jointly controlled operations (including unincorporated joint ventures) and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services produced by the joint venture. To the extent that the Company is being "free-carried" in the jointly controlled assets it will not reflect a share of such expenditure.

Note 8, '*Mining Tenements*', contains a table disclosing the expenditure and financial position of the two "farm-in" joint venture projects that the Company has an interest in. As the Company is being "free-carried" in these jointly controlled assets it is not reflecting the expenditure or financial position in its accounts.

In addition to the exploration "farm-in" joint ventures detailed above, the Company signed a joint venture agreement for the Port Spencer port development on 9 March 2012 and a joint venture agreement with Shandong for the exploration on the Company's Goulburn tenements in New South Wales on 23 April 2013. At the date of his report all the conditions precedent for these two joint ventures have not been met.

The balances and effects of transactions between controlled entities included in the consolidated financial statements have been eliminated.

e) Revenue Recognition

Revenue and expenses are brought to account on an accrual basis.

Interest income

Interest income is recognised as it accrues and is included in finance income.

Lease income

The Group receives lease income from the properties which it has purchased. The properties were purchased for the purpose of evaluating the potential recoverability of resources. This income is recognised as it accrues.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

e) Revenue Recognition (continued)

Gain or loss on disposal of interest in mineral tenements

The Group recognises a gain or loss on disposal of interest in mineral tenements as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, less any direct costs. This income is recognised when the risks and rewards of ownership have passed to the buyer.

f) Government Grants

Grants that compensate the Group for exploration and evaluation expenditure incurred are offset against the exploration and evaluation capitalised asset in the same period in which the capitalised expenditure is recognised.

g) Cash and Cash Equivalents and term deposits

- (i) Cash and cash equivalents comprise cash balances and call deposits which can be readily accessed and have maturities of 90 days or less.
- (ii) Term deposits comprise cash deposits with maturities of more than 90 days.

h) Comparatives

Where applicable, prior year amounts have been adjusted to place them on a comparable basis with current year amounts.

i) Income Tax

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective area of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The company and its wholly owned Australian resident subsidiaries commenced being a tax consolidation group on 27 January 2005 and are therefore taxed as a single entity. The head entity within the tax consolidation group is Centrex Metals Limited.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

j) Exploration, Evaluation and Development Expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable.

Costs associated with exploration, evaluation and development expenditure will be accumulated in respect of each separate 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

- (a) The rights to tenure of the area are current; and
- (b) At least one of the following conditions is also met:
 - i. The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; or
 - ii. Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of 'economically recoverable reserves' and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching, and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets. Assets that are classified as tangible include: piping and pumps; and, vehicles and drilling equipment. Assets that are intangible include: acquired rights to explore and exploratory drilling costs.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised, prior to being reclassified.

Exploration and evaluation assets are assessed for impairment annually if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (o)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

k) Provisions

A provision is recognised in the statement of financial position when the Group has a present legal or constructive obligation that can be measured reliably as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

l) Provision for Restoration and Rehabilitation

No provision has been made in the accounts for restoration and rehabilitation of areas from which natural resources are extracted on the basis that no significant disturbance in relation to the Group's exploration activities has occurred. This policy is subject to annual review.

m) Property, Plant and Equipment

Property, plant and equipment is brought to account at cost, less where applicable any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of those assets (refer Note 1(o)).

The gain or loss on disposal of fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax in the year of disposal.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the date the assets are held ready for use.

n) Depreciation

With the exception of exploration, evaluation and development assets, depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Following the re-classification of Exploration and evaluation assets as development assets, they are depreciated on a unit of production basis over the life of the economically recoverable reserves, once production commences.

Land is not depreciated.

The estimated useful lives of plant and equipment in the current and comparative periods are as follows:

| | |
|---------------------------|-----------|
| Motor vehicles | 3-5 years |
| Fixtures and fittings | 3-5 years |
| Other plant and equipment | 3-5 years |
| Buildings | 50 years |

o) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

o) Impairment (continued)

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

p) Leased Assets

Leases of plant and equipment are classified as operating leases where the lessor retains substantially all the risks and benefits of ownership. Minimum lease payments are charged to the statement of comprehensive income on a straight line basis over the lease terms except where an alternative basis would be more representative of the pattern of benefit to be derived for the leased asset.

q) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the ATO, is included as a current asset or liability in the balance sheet.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable or payable to the ATO, are disclosed as operating cash flows.

r) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

s) Interest Bearing Liabilities

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

t) Share capital

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

u) Employee benefits

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit or loss as incurred.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

u) Employee benefits (continued)

Long-term service benefits

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the Commonwealth Government bonds at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations.

Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as housing and cars, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic probability of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

v) Share and option compensation

Where shares or share options are issued to employees or directors as remuneration for past services, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Unless otherwise stated, the fair value of the options granted is measured using an option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except for those that fail to vest due to market conditions or non vesting conditions not being met.

The fair value of the employee share options and rights is measured using the Black-Scholes formula. Measurement inputs include the share price on measurement date, the exercise price of the instrument, expected volatility based on the Company's historic volatility, particularly over the period commensurate with the expected term and the risk free interest rate (based on government bonds). Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

w) Segmental reporting

The Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer, who is the Group's chief operating decision maker.

The Chief Executive Officer receives information internally based on the geographical location of the Group's assets. It has been determined that as all of the assets are in one country (Australia) and operations relate predominantly to mining exploration, it is appropriate to have one operating segment.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

x) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise any convertible notes, share options, and rights granted to employees.

y) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss when incurred.

Development activities involve a plan or design for the production of new or substantially improved products and processes. Development expenditure is only capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Borrowing costs related to the development of qualifying assets are recognised in profit or loss as incurred. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development expenditure is measured at cost less accumulated amortisation and accumulated impairment losses.

z) New standards and interpretations

A number of new standards and interpretations are effective for annual periods beginning after 1 July 2013, and have not been applied in preparing these financial statements. The most relevant of which is *AASB 11 Joint Arrangements* and *AASB 9 (2009 and 2010) Financial Instruments*. The Group does not plan to adopt these standards early.

AASB 11 Joint Arrangements, the structure of the joint arrangement, although still an important consideration, is no longer the main factor in determining the type of joint venture arrangement and the associated accounting treatment. The Group's assessment of this standard is that it will not have an impact on the presentation of joint arrangements.

AASB 9 Financial Instruments, *AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9*, *AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* and *AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transitional Disclosures*. The new standards which become mandatory for the Group's 2016 financial statements could change the classification and measurement of financial assets and financial liabilities. The new standards are not expected to have significant impact on the financial statements.

AASB 119 Employee Benefits (September 2011) – is amended focussing on the accounting for defined benefit plans. In addition, it changes the definition of short-term and other long term employee benefits and some disclosure requirements. The amendments, which become mandatory for the Group's 30 June 2014 financial statements, are not expected to have a significant impact on the financial statements.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

1 STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

z) New standards and interpretations (continued)

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement removes the requirements to include individual key management personnel disclosures in the notes to the financial statements. The Company will still need to provide these disclosures in the Remuneration Report under s.300A of the *Corporations Act 2001*. The amendments, which will become mandatory for the Group's 30 June 2014 financial statements, are not expected to have any impact on the financial statements, other than removal of duplicated disclosures.

AASB 10 Consolidated Financial Statements – introduces a new approach in determining which investees should be consolidated and whether an investor is exposed, or had the rights to, variable returns from its involvement with the investee. Application of this new standard which becomes mandatory for the 30 June 2014 financial statements is not expected to have any impact on the financial statements however any future investments will need to be evaluated in light of these new requirements.

AASB 12 Disclosure of Interests in Other Entities – sets out disclosure requirements arising from *AASB 10* and *AASB 11* and replaces the disclosures currently required by *AASB 127* and *AASB 128*. *AASB 12* will not affect the amounts recognised in the financial statements however may impact the type of information disclosed in the notes to the financial statements. This standard is effective for the financial year ended 30 June 2014.

AASB 13 Fair Value Measurement and *AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13* – establishes a single source of guidance for all fair value measurements and aims to enhance fair value disclosures. The impact of application of the new standard will not significantly impact the type of information disclosed in the notes to the financial statements. This standard is effective for the financial year ended 30 June 2014.

AASB Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine and *AASB 2011-12 Amendments to Australian Accounting standards arising from AASB Interpretation 20* has been issued to provide guidance on account for waste stripping costs for surface mining activities and clarifies certain criteria that need to be met in order to enable capitalisation of stripping costs. Application of this standard which becomes mandatory for the 30 June 2014 financial statements and will not have any impact unless the Group commences mining operations in the future.

CENTREX METALS LIMITED
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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

| | 2013 | 2012 |
|---|------------------|------------------|
| | \$ | \$ |
| 2 PROFIT FROM CONTINUING OPERATIONS | | |
| Finance Income and Costs | | |
| Interest from banks | 2,774,369 | 4,534,022 |
| Interest from joint venture funding | 2,399,250 | - |
| | <u>5,173,619</u> | <u>4,534,022</u> |
| Other Income | | |
| Lease income | 40,214 | 39,684 |
| Gain / (loss) on asset sales | 3,636 | 25,002 |
| Disposal of interest in tenements, net of costs | - | 1,724,197 |
| | <u>43,850</u> | <u>1,788,883</u> |
| Employee Benefit Expenses | | |
| Wages and salaries (i) | 935,992 | 643,848 |
| Contributions to defined contribution superannuation funds | 219,433 | 253,252 |
| Leave liability additions | 63,449 | 101,095 |
| Equity settled share based payment transactions | 326,594 | 208,540 |
| Other employee costs | 333,428 | 340,661 |
| | <u>1,878,896</u> | <u>1,547,396</u> |
| (i) In addition, wages and salaries of \$422,170 (2012: \$202,736) are capitalised into exploration and evaluation expenditure (Note 8); wages and salaries of \$866,207 (2012: \$1,684,242) are on-charged to joint venture partners for work undertaken in those joint ventures; and, wages and salaries of \$nil (2012: \$75,930) incurred undertaking work on the Port Spencer Feasibility study. | | |
| Port Feasibility Expenses | | |
| Preliminary study costs associated with Port Spencer port site (i) | - | 1,520,459 |
| | <u>-</u> | <u>1,520,459</u> |
| (i) The Port Spencer Joint Venture (50:50) was signed by Centrex and Wugang Australia Resources Investment Pty Ltd on 9 March 2012. At the time of this report not all of the conditions precedent had been met and the Joint Venture agreement is not in force. Despite this, Wugang have contributed funds to the Joint Venture to meet costs incurred during the 2013 financial year. | | |
| 3 AUDITOR'S REMUNERATION | | |
| Audit Fees | 87,000 | 88,250 |
| Other services - taxation services | 79,079 | 20,839 |
| Other services - research & development taxation services | - | 18,000 |
| Auditor's of the company - KPMG | <u>166,079</u> | <u>127,089</u> |

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4 TAXATION

The consolidated entity is recognising a deferred tax liability in 2013 of \$5,125,786 (2012: \$4,772,176). Details of the current and deferred income tax expense is shown below:

| | 2013 | 2012 |
|---|------------------|--------------------|
| | \$ | \$ |
| Current income tax expense/(benefit) | | |
| Current period | (713,090) | (104,713) |
| Adjustment for prior period income tax payable | 585,854 | (1,313,773) |
| Losses utilised | - | - |
| | <u>(127,236)</u> | <u>(1,418,486)</u> |
| Deferred income tax expense/(benefit) | | |
| Origination and reversal of temporary differences | 1,289,736 | 479,669 |
| Adjustment for prior period deferred tax | <u>(585,854)</u> | <u>1,288,464</u> |
| | 703,882 | 1,768,133 |
| Total income tax expense/(benefit) | <u>576,646</u> | <u>349,647</u> |
| Deferred Tax (assets) | | |
| Property, plant and equipment | (87,401) | (64,565) |
| Provisions and accrued expenses | (792,866) | (1,121,070) |
| Discount on stamp duty | (157,159) | (230,462) |
| Deferred Tax liabilities | | |
| Exploration and evaluation assets | 4,721,901 | 4,293,704 |
| Stamp duty | 1,782,000 | 1,782,000 |
| Interest receivable | <u>114,295</u> | <u>217,282</u> |
| Net tax (assets) / liabilities | 5,580,770 | 4,876,889 |
| Tax loss carry-forwards | <u>(454,984)</u> | <u>(104,713)</u> |
| Deferred tax (asset) / liability | <u>5,125,786</u> | <u>4,772,176</u> |
| Reconciliation of effective tax rate | | |
| Profit / (Loss) for the year | 1,004,564 | 673,476 |
| Total income tax expense / (benefit) | <u>576,646</u> | <u>349,647</u> |
| Profit / (Loss) excluding income tax | <u>1,581,210</u> | <u>1,023,123</u> |
| Prima facie income tax calculated at 30% | 474,363 | 306,937 |
| Non-deductible expenses | 102,283 | 68,019 |
| Adjustment for prior period deferred tax | (585,854) | 1,288,464 |
| Adjustment for prior period income tax payable | <u>585,854</u> | <u>(1,313,773)</u> |
| Total income tax expense / (benefit) | <u>576,646</u> | <u>349,647</u> |

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5 EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2013 was based on the profit attributable to ordinary shareholders of \$1,004,564 (2012: \$673,476) and a weighted average number of ordinary shares outstanding during the financial year ended 30 June 2013 of 313,600,904 (2012: 313,567,485).

| | 2013 | 2012 |
|--|--------------------|--------------------|
| | \$ | \$ |
| Profit / (Loss) attributable to ordinary shareholders | | |
| Profit for the period | <u>1,004,564</u> | <u>673,476</u> |
| Profit attributable to ordinary shareholders | <u>1,004,564</u> | <u>673,476</u> |
| Weighted average number of ordinary shares | | |
| Issued ordinary shares at beginning of year | 313,600,904 | 313,165,264 |
| Effect of shares issued in the first quarter (to 30 September) | - | 402,221 |
| Effect of shares issued in the second quarter (to 31 December) | - | - |
| Effect of shares issued in the third quarter (to 31 March) | - | - |
| Effect of shares issued in the fourth quarter (to 30 June) | - | - |
| Weighted average number of ordinary shares at year end | <u>313,600,904</u> | <u>313,567,485</u> |

Earnings per share for continuing and discontinued operations

| | | |
|------------------------------------|--------|--------|
| Basic earnings per share (cents) | 0.3203 | 0.2148 |
| Diluted earnings per share (cents) | 0.3199 | 0.2145 |

Options on issue are considered to be potential shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of dilutive earnings per share. For the year ended 30 June 2013 the weighted average number of ordinary shares outstanding during the financial year ended 30 June 2013 after adjustment for the effects of all dilutive potential ordinary shares was 314,032,903 (2012: 313,953,056).

| | 2013 | 2012 |
|--|-------------------|------------------|
| | \$ | \$ |
| 6 CASH AND CASH EQUIVALENTS AND TERM DEPOSITS | | |
| Cash and cash equivalents | <u>10,005,832</u> | <u>1,852,376</u> |

The Company also has term deposits of \$35,914,215 as at 30 June 2013 (2012: \$61,771,160).

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

| | Note | 2013 \$ | 2012 \$ |
|--|-------|------------------|------------------|
| 7 RECEIVABLES | | | |
| Current | | | |
| Eyre Iron Joint Venture | (i) | 22,785 | 176,444 |
| Bungalow Joint Venture | (ii) | 17,198 | 23,979 |
| Port Spencer Joint Venture | | 251 | 60,716 |
| Prepayments and other receivables | | 101,465 | 75,688 |
| Interest due on term deposits | | 344,462 | 724,272 |
| Interest due from Joint Ventures | | 2,399,250 | - |
| Income tax refund | | 258,107 | - |
| GST Receivable | | 38,925 | - |
| | | <u>3,182,443</u> | <u>1,061,099</u> |
| Non-current | | | |
| Stamp duty | (iii) | 5,940,000 | 5,940,000 |
| Discount / amortisation on stamp duty (recorded as a finance cost) | | <u>(523,863)</u> | <u>(768,206)</u> |
| | | <u>5,416,137</u> | <u>5,171,794</u> |

- (i) The Company has a 40% interest in the Eyre Iron Joint Venture. The balance owed by the Joint Venture relates principally to wages and salaries of Company employees that have been seconded to the Joint Venture.
- (ii) The Company has a 70% interest in the Bungalow Joint Venture. The balance owed by the Joint Venture relates principally to wages and salaries of Company employees that have been seconded to the Joint Venture.
- (iii) Incorporated in the transaction documents for the Eyre Peninsula Joint Venture whereby the Group received income for the sale of 60% of the iron ore rights to 5 of its tenements which were finalised on 7 July 2010 was an agreement that the Company meet the stamp duty obligation on the resource incentive payments. The stamp duty (A\$5.9 million) has been levied on the commitment by WISCO to pay four further payments of A\$ 27 million if and when the JORC Inferred Resources for the project reach 1.25Bt, 1.5Bt, 1.75Bt and 2.0Bt respectively (up to an additional A\$ 108 million).

The Eyre Peninsula Joint Venture transaction documents allow for the Company to recover this money from WISCO as each milestone is met. Should the milestone targets not be met the Company is entitled to apply to recover the stamp duty from RevenueSA, to whom the stamp duty was initially paid.

The Company has 5 years from the date the stamp duty was levied to request a refund. Accordingly, the stamp duty is being treated as a financial asset recoverable 5 years from the date of payment (7 July 2010). As such the stamp duty is discounted at the risk free rate of interest over the same period and then the discount is amortised periodically such that on the five year anniversary the receivable balance is the same as the amount initially paid.

Subsequent to year end as outlined in Note 25, a Memorandum of Understanding has been signed which may impact the manner in which the stamp duty receivable will be recovered.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

8 EXPLORATION AND EVALUATION EXPENDITURE

| | | Cumulative Expenditure to 30 Jun 12 | Expenditure 12 months to 30 Jun 13 | Tenements relinquished to 30 Jun 13 | Cumulative Expenditure to 30 Jun 13 |
|--|------|--|---|--|--|
| | Note | \$ | \$ | \$ | \$ |
| <i>Held by Centrex Metals Limited</i> | | | | | |
| Greenpatch EL 4885 | W | 113,380 | - | - | 113,380 |
| Cockabidnie EL 4883 | | 27,308 | 24,195 | - | 51,503 |
| Bungalow EL 4884 | B | 692,636 | - | - | 692,636 |
| Wilgerup EL 4467 | | 11,467,505 | 270,586 | - | 11,738,091 |
| Wanilla EL 4384 | W | 47,677 | - | - | 47,677 |
| Dutton Bay EL 4605 | W | 44,351 | - | - | 44,351 |
| Lock EL 4588 | | 19,345 | 17,075 | - | 36,420 |
| Gilles Downs EL 4571 | | 114,381 | 15,894 | - | 130,275 |
| Cockabidnie North EL 4539 | | 65,228 | 20,060 | - | 85,288 |
| Goulburn NSW EL 7388 | | 510,389 | 151,969 | - | 662,358 |
| Archer NSW EL 7503 | | 123,208 | 55,993 | - | 179,201 |
| Industrial Minerals NSW EL 8098 | | - | - | - | - |
| | | 13,225,408 | 555,772 | - | 13,781,180 |
| <i>Held by South Australian Iron Ore Group Pty Ltd</i> | | | | | |
| Mount Hill EL 5065 | W | 126,802 | - | - | 126,802 |
| Carrow EL 3731 | W | 156,047 | - | - | 156,047 |
| Kimba Gap EL 5170 | | 161,450 | 817,409 | - | 978,859 |
| Ironstone Hill EL 4185 | | 120,867 | 15,958 | - | 136,825 |
| Ironstone Hut EL 5245 | | 110,228 | 16,567 | - | 126,795 |
| Stony Hill EL 4451 | | 411,545 | 21,618 | - | 433,163 |
| | | 1,086,939 | 871,552 | - | 1,958,491 |
| <i>Held by Lachlan Metals Pty Ltd</i> | | | | | |
| Gundaroo NSW EL 8133 | | - | - | - | - |
| Total | | 14,312,347 | 1,427,324 | - | 15,739,671 |

- (B) Baotou Iron & Steel Group Company Limited ('Baotou') has earned a 30% interest in the iron ore rights of the Bungalow tenement (EL 3610) as a consequence of remitting \$24 million into the joint venture bank account in three staged payments.
- (W) WISCO has acquired a 60% interest in the iron ore rights to the 5 tenements identified above as a consequence of the execution of all documents included in the Eyre Peninsula Joint Venture which covers the same tenements.

Cockabidnie North EL4539

Centrex Metals Limited has the sole right to explore for and exploit iron ore on EL4539 which is held by Lincoln Minerals Limited (previously Centrex Exploration Limited) as per the Supplementary Agreement between Lincoln Minerals Limited and Centrex Metals Limited dated 21st March 2006.

Tenements

The exploration and evaluation expenditure assets comprise of exploration expenditure incurred since acquiring the exploration licenses. The expenditure is capitalised on a tenement by tenement ("area of interest") basis.

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8 EXPLORATION AND EVALUATION EXPENDITURE (continued)

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. The Wilgerup EL4467 tenement has been explored and has an indicated resource of 13.2Mt of inferred massive hematite; however the technical feasibility study has not yet been completed. The consolidated entity's other tenements have still to be explored fully and therefore the economic/commercial viability are not yet known.

Farm-out arrangements

As noted in the Statement of Accounting Policies (note 1(d) – *Principles of Consolidation*), the Company is being "free-carried" in two joint ventures. As a consequence of the "free-carry" the Company is not recognising in its accounts its share of the expenditure and financial position of these jointly controlled assets.

Summary financial information for joint ventures, not adjusted for the percentage ownership held by Centrex Metals Limited at 30 June 2013 is shown below:

| | Eyre Iron JV | Bungalow JV |
|---|-----------------------------|--------------------|
| | \$ | \$ |
| Centrex Metals Limited interest at reporting date | 40% | 70% |
| JOINT VENTURE EXPENDITURE | Year ended 30/6/2013 | |
| Exploration expenditure | 17,592,249 | 2,569,863 |
| Capitalisation of exploration expenditure | (17,592,249) | (2,569,863) |
| Other Expenditure | | |
| Administration expenses | 1,416,378 | 15,941 |
| Depreciation | 343,456 | - |
| Total Other Expenditure | 1,759,834 | 15,941 |
| Interest earned | - | (38,550) |
| Other income | (11,039) | - |
| Profit / (Loss) | (1,748,795) | 22,609 |
| JOINT VENTURE FINANCIAL POSITION | As at 30/6/2013 | |
| Current Assets | 10,325,578 | 205,831 |
| Non-current Assets | 66,053,373 | 24,329,837 |
| Total Assets | 76,378,951 | 24,535,668 |
| Current Liabilities | 6,590,068 | 111,529 |
| Non-current Liabilities | 31,164 | - |
| Total Liabilities | 6,621,232 | 111,529 |
| Net Assets | 69,757,719 | 24,424,139 |
| Equity | | |
| Cash call contributions – Joint Venture Partner | 75,000,000 | 24,000,000 |
| Cash call contributions - Centrex | - | - |
| Retained profits / (losses) | (5,242,281) | 424,139 |
| Total Equity | 69,757,719 | 24,424,139 |

The Eyre Iron joint venture did not have any capital commitments as at 30 June 2013. The Bungalow joint venture had commitments of \$40,200 as at 30 June 2013 (2012: \$1,425,886 relating to pre-feasibility studies).

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| | 2013 | 2012 |
|---|------------------|------------------|
| | \$ | \$ |
| 9 PROPERTY, PLANT AND EQUIPMENT | | |
| Land and buildings | | |
| Balance at beginning of year | 5,638,499 | 5,658,524 |
| Additions | - | 10,714 |
| Depreciation charge for the year | (32,122) | (30,739) |
| Disposals / write-offs | - | - |
| Balance at end of year | <u>5,606,377</u> | <u>5,638,499</u> |
| Plant and Equipment - Cost | | |
| Balance at beginning of year | 916,814 | 833,151 |
| Additions | 28,085 | 130,306 |
| Disposals / write-offs | (21,363) | (46,643) |
| Balance at end of year | <u>923,536</u> | <u>916,814</u> |
| Plant and Equipment - Depreciation | | |
| Balance at beginning of year | 569,343 | 424,415 |
| Charge for the year | 180,869 | 181,723 |
| Disposals / write-offs | (21,363) | (36,795) |
| Balance at end of year | <u>728,849</u> | <u>569,343</u> |
| Plant and Equipment - Net book value | | |
| Balance at beginning of year | 347,471 | 408,736 |
| Additions/(Disposals) | 28,085 | 120,458 |
| Depreciation charge for the year | (180,869) | (181,723) |
| Balance at end of year | <u>194,688</u> | <u>347,471</u> |
| 10 TRADE AND OTHER PAYABLES | | |
| Current liabilities | | |
| Trade payables | 97,336 | 25,986 |
| Other trade payables and accruals | 311,957 | 543,340 |
| GST payable | - | 3,523 |
| | <u>409,293</u> | <u>572,849</u> |
| No interest is payable on trade payables. | | |

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11 EMPLOYEE BENEFITS

| | 2013 | 2012 |
|--------------------------------|----------------|----------------|
| | \$ | \$ |
| Current liabilities | | |
| Annual leave provision | 184,405 | 177,527 |
| | <u>184,405</u> | <u>177,527</u> |
| Non-current liabilities | | |
| Long service leave provision | 168,580 | 112,009 |
| | <u>168,580</u> | <u>112,009</u> |

12 FINANCIAL GUARANTEES

At 30 June 2013 two financial guarantees have been issued. The first guarantee is for \$28,000 relating to the lease of the Adelaide office (2012: \$28,000). The second guarantee is for \$15,000 (2012: \$nil) relating to mineral exploration and land access arrangements for the Goulburn Project in New South Wales.

13 INTEREST BEARING LOANS AND BORROWINGS

There are no interest bearing loans or borrowings at 30 June 2013 or 30 June 2012.

14 CAPITAL AND RESERVES

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

The Company does not have authorised capital or par value in respect of its issued shares.

Dividends

| | Cents per share | Total Amount | Date of payment |
|--------------------------------|------------------------|---------------------|------------------------|
| 2013 | | \$ | |
| Special fully franked dividend | 5.00 | 15,680,045 | 11 March 2013 |

No dividends were paid in the previous financial year.

After 30 June 2013, no dividends were proposed by the directors.

Dividend Franking Account

| | 2013 | 2012 |
|--|-------------|-------------|
| | \$ | \$ |
| Amount of franking credits available to shareholders of the Company for subsequent financial years | 7,088,223 | 13,505,206 |

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15 OPTIONS AND RIGHTS

At 30 June, there are the following options outstanding:

| | 2013 | 2012 | |
|-----------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| | 2014 Exec Plan Options | 2012 Exec Plan Options | 2014 Exec Plan Options |
| Expiry date | 30/06/2014 | 30/06/2012 | 30/06/2014 |
| Exercise Price: | \$0.42 | \$0.20 | \$0.42 |
| Options on issue at start of year | 750,000 | 1,682,000 | 750,000 |
| Options cancelled (on expiry) | - | (1,682,000) | - |
| Options on issue at end of year | <u>750,000</u> | <u>-</u> | <u>750,000</u> |

At 30 June 2013, there are the following share rights outstanding:

| | 2015 | 2015 | 2014 | 2014 |
|---|-----------------------------|-------------------------------|-----------------------------|-------------------------------|
| | Retention Rights | Performance Rights | Retention Rights | Performance Rights |
| Expiry date | 31/07/2015 | 31/07/2015 | 31/07/2014 | 31/07/2014 |
| Vesting date: | 1/07/2015 | 1/07/2015 | 1/07/2014 | 1/07/2014 |
| Share price required to vest: | \$0.00 | \$0.50 | \$0.00 | \$0.75 - \$1.00 |
| Options on issue at start of year | - | - | 1,300,000 | 1,300,000 |
| Options issued to Centrex staff during the year | 938,001 | 1,592,948 | - | - |
| Options exercised during the year | - | - | - | - |
| Options cancelled (on review of conditions) | - | - | (36,600) | - |
| Options on issue at end of year | <u>938,001</u> | <u>1,592,948</u> | <u>1,263,400</u> | <u>1,300,000</u> |

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15 OPTIONS AND RIGHTS (continued)

At 30 June 2012, there were the following share rights outstanding:

| | 2012 | 2012 | 2014 | 2014 |
|---------------------------------------|------------------|--------------------|------------------|--------------------|
| | Retention | Performance | Retention | Performance |
| | Rights | Rights | Rights | Rights |
| Expiry date | 31/07/2015 | 31/07/2015 | 31/07/2014 | 31/07/2014 |
| Vesting date: | 1/07/2015 | 1/07/2015 | 1/07/2014 | 1/07/2014 |
| Share price required to vest: | \$0.00 | \$0.44 | \$0.00 | various |
| Options on issue at start of year | 435,640 | 871,277 | - | - |
| Options issued during the year: | | | | |
| Share price required to vest: \$0.00 | n/a | n/a | 1,300,000 | n/a |
| Mr J White – vesting price: \$0.75 | n/a | n/a | n/a | 250,000 |
| Mr J White - vesting price: \$0.80 | n/a | n/a | n/a | 50,000 |
| Mr J White - vesting price: \$0.90 | n/a | n/a | n/a | 100,000 |
| Mr J White - vesting price: \$1.00 | n/a | n/a | n/a | 100,000 |
| Centrex staff - vesting price: \$0.75 | n/a | n/a | n/a | 800,000 |
| Options exercised during the year | (435,640) | - | - | - |
| Options cancelled (on expiry) | - | (871,277) | - | - |
| Options on issue at end of year | - | - | 1,300,000 | 1,300,000 |

The fair value of the share rights granted has been determined using the Black-Scholes option pricing model with the following variables (weighted average):

| | Key | Senior | Key | Senior |
|----------------------------------|-------------------|---------------|-------------------|---------------|
| | management | staff | management | staff |
| | personnel | | personnel | |
| | 2013 | 2013 | 2012 | 2012 |
| Fair value at grant date (cents) | 16.0 | 16.8 | 21.1 | 22.1 |
| Share price (cents) | 23.0 | 24.4 | 29.1 | 30.0 |
| Exercise price (cents) | 35.3 | 37.5 | 39.4 | 37.5 |
| Expected volatility | 74.4% | 73.7% | 72.0% | 71.4% |
| Option life (years) | 2.7 | 2.7 | 2.7 | 2.8 |
| Risk free interest rate | 4.0% | 4.1% | 4.7% | 4.7% |

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

16 FINANCIAL INSTRUMENTS AND RISK EXPOSURES

(a) Financial risk management objectives

The Group does not enter into or trade financial instruments, for speculative purposes. As at 30 June 2013 the Group has no exposure to exchange rate risk and has no derivative exposures to commodity prices.

(b) Interest rate risk exposure

The Group has exposure to future interest rates on investments in fixed and variable-rate deposits. As at 30 June 2013 the Group had \$45,920,047 invested in such deposits (2012: \$63,623,536). The Group does not use derivatives to mitigate these exposures.

Sensitivity Analysis

As the Group does not account for any financial assets and liabilities at fair value through profit and loss and does not use interest rate derivatives, a change in interest rates at reporting date would have no effect on profit and loss. For the year ending 30 June 2013, a 1 percent increase in the effective interest rate would have resulted in an increase in profit of \$578,690 (2012: \$759,348).

(c) Credit risk exposures

The Group has no significant concentrations of credit risk. As at 30 June 2013 the Group was owed \$8,598,580 (2012: \$6,232,893).

The Group does not have significant credit exposure to outstanding receivables or investments due to the present nature of its operations. There have been no historical impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(d) Capital management

The Board seeks to maintain a strong capital base sufficient to maintain the future development of the Group's business. The Board closely monitors the Group's level of capital so as to ensure it is appropriate for the Group's planned level of activities. There were no changes to the Group's approach to capital management during the year. Neither the Company nor its wholly owned subsidiaries are exposed to any externally imposed capital requirements.

(e) Liquidity Risk Management

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following are both the expected payments and contractual maturities, including estimated interest payments:

| | 2013 | 2012 |
|---------------------------------|-------------|-------------|
| | \$ | \$ |
| Trade and other payables | | |
| Carrying amount | 409,293 | 572,849 |
| Contractual cash flows | (409,293) | (572,849) |
| 12 months or less | (409,293) | (572,849) |

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16 FINANCIAL INSTRUMENTS AND RISK EXPOSURES (continued)

(f) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, trade debtors, other debtors and accounts payable approximate net fair value.

The net fair value of investments in unlisted shares in other corporations is determined by reference to the underlying net assets and an assessment of future maintainable earnings and cash flows of the respective corporations.

The carrying amount and net fair value of financial assets and liabilities as at the reporting date are as follows:

| | 2013 | | 2012 | |
|------------------------------|-----------------------|-------------------|-----------------------|-------------------|
| | Carrying Value | Fair Value | Carrying Value | Fair Value |
| | \$ | \$ | \$ | \$ |
| Financial assets | | | | |
| Cash and cash equivalents | 10,005,832 | 10,005,832 | 1,852,376 | 1,852,376 |
| Term deposits | 35,914,215 | 35,914,215 | 61,771,160 | 61,771,160 |
| Receivables | <u>8,598,580</u> | <u>8,598,580</u> | <u>6,232,893</u> | <u>6,232,893</u> |
| | 54,518,627 | 54,518,627 | 69,856,429 | 69,856,429 |
| Financial liabilities | | | | |
| Trade and other payables | <u>409,293</u> | <u>409,293</u> | <u>572,849</u> | <u>572,849</u> |
| | 409,293 | 409,293 | 572,849 | 572,849 |

Cash assets are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

17 OPERATING LEASES

Non-cancellable operating lease rentals are payable/receivable as follows:

| | Note | 2013 | 2012 |
|--------------------------------------|------|---------|---------|
| | | \$ | \$ |
| Receivable from third parties | | | |
| Less than one year | | 26,800 | 37,385 |
| Between one and five years | | - | 26,800 |
| More than five years | | - | - |
| Payable to third parties | | | |
| Less than one year | | 105,510 | 97,168 |
| Between one and five years | | 175,562 | 281,072 |
| More than five years | | - | - |

Operating lease income receivable relates to pastoral land under agistment.

Operating lease rentals relate to corporate and site offices and accommodation.

18 RELATED PARTIES

The key management personnel compensation is as follows:

| | | |
|----------------------------------|-----------|-----------|
| Short-term employee benefits | 1,899,599 | 1,879,280 |
| Other long-term benefits | 218,096 | 190,969 |
| Termination benefits | - | - |
| Executive share options benefits | 211,047 | 185,090 |
| Employee benefits | 2,328,742 | 2,255,339 |

Individual directors and executives compensation disclosures

Information regarding key management personnel compensation is provided in the Remuneration Report in section 5 of the Directors' Report.

Other key management personnel transactions with the Company or its controlled entities:

The Company considers that the joint ventures in which it has an interest fall within the definition of related parties in the *Corporations Act 2001*. Accordingly the following transactions are disclosed:

Expenditure Incurred on behalf of the entity

| | | | |
|------------------------------|---|---------|-----------|
| Eyre Peninsula Joint Venture | W | 543,239 | 754,992 |
| Bungalow Joint Venture | B | 292,941 | 1,017,378 |
| Port Spencer Joint Venture | S | 70,559 | 57,340 |
| | | 906,739 | 1,829,710 |

Assets and liabilities arising from the above transactions

| | | | |
|-------------------|--|--------|---------|
| Other receivables | | | |
| Current debtors | | 40,234 | 261,139 |

(W) The expenditure incurred by the Company on the Eyre Peninsula Joint Venture includes the salaries of Company staff that have been working on the project and miscellaneous exploration costs.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

18 RELATED PARTIES (continued)

- (B) The expenditure incurred by the Company on the Bungalow Joint Venture includes drilling and other related exploration expenditure, including the salaries of Company staff that have been working on the project.
- (S) The expenditure incurred by the Company on the Port Spencer Joint Venture includes drilling and other related exploration expenditure, including the salaries of Company staff that have been working on the project.

Centrex is reimbursed for expenditure incurred on behalf of joint venture entities.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Key Management Personnel Holding of Shares:

The movement during the reporting period in the number of ordinary shares in Centrex Metals Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

| 30 June 2013 | Note | Holding at 30 June 12 | Number Purchased | Number Sold | Holding at 30 June 13 |
|---|-------------|----------------------------------|-----------------------------|------------------------|----------------------------------|
| Patna Properties Pty Ltd | (i) | 1,247,000 | 100,000 | - | 1,347,000 |
| Mr Kiat Poh | | 1,918,880 | - | - | 1,918,880 |
| South Cove Ltd | (ii) | 80,876,005 | - | - | 80,876,005 |
| SEL Holdings Ltd | (ii) | 16,198,000 | - | - | 16,198,000 |
| Lodge Ltd | (ii) | 4,366,667 | - | - | 4,366,667 |
| Wugang Australian Resources Investment Pty Ltd | (iii) | 40,399,599 | - | - | 40,399,599 |
| Candlegrove Pty Ltd | (iv) | 250,000 | - | - | 250,000 |
| Mr John den Dryver | | - | - | - | - |
| Mr Jim White | | 100,000 | - | - | 100,000 |
| Mr Alastair Watts | | 117,099 | - | (59,526) | 57,573 |
| Mr Ben Hammond | | - | - | - | - |
| Mr Steven Brown | | - | - | - | - |
| Mr Gavin Bosch | | 930,000 | - | - | 930,000 |

(i) Patna Properties Pty Ltd is a company associated with Mr David Klingberg.

(ii) South Cove Ltd, SEL Holding Ltd and Lodge Ltd are companies associated with Mr Graham Chrisp.

(iii) Wugang Australian Resources Investment Pty Ltd is a company associated with Mr Bingqiang Lu.

(iv) Candlegrove Pty Ltd is a company associated with Mr Jim Hazel.

No shares were granted to key personnel during the reporting period as compensation.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

18 RELATED PARTIES (continued)

Key Management Personnel Holding of Shares (continued):

| 30 June 2012 | Note | Holding at 30 June 11 | Number Purchased | Number Sold | Holding at 30 June 12 |
|---|-------------|----------------------------------|-----------------------------|------------------------|----------------------------------|
| Patna Properties Pty Ltd | (i) | 1,100,000 | 147,000 | - | 1,247,000 |
| Mr Kiat Poh | | 1,918,880 | - | - | 1,918,880 |
| South Cove Ltd | (ii) | 80,876,005 | - | - | 80,876,005 |
| SEL Holdings Ltd | (ii) | 16,198,000 | - | - | 16,198,000 |
| Lodge Ltd | (ii) | 4,366,667 | - | - | 4,366,667 |
| Wugang Australian Resources Investment Pty Ltd | (iii) | 40,399,599 | - | - | 40,399,599 |
| Candlegrove Pty Ltd | (iv) | 150,000 | 100,000 | - | 250,000 |
| Mr John den Dryver | | - | - | - | - |
| Mr Jim White | | - | 100,000 | - | 100,000 |
| Mr Phillip Staveley | (v) | N/A | - | - | - |
| Mr Alastair Watts | | 105,000 | 108,313 | (96,214) | 117,099 |
| Mr Ben Hammond | | - | 125,144 | (125,144) | - |
| Mr Steven Brown | | - | - | - | - |
| Mr Gavin Bosch | | 930,000 | 94,352 | (94,352) | 930,000 |

(i) Patna Properties Pty Ltd is a company associated with Mr David Klingberg.

(ii) South Cove Ltd, SEL Holding Ltd and Lodge Ltd are companies associated with Mr Graham Chrisp.

(iii) Wugang Australian Resources Investment Pty Ltd is a company associated with Mr Xiaopeng Yin, Mr Chaoying Qi, Mr Haiming Zhao and Mr Bingqiang Lu.

(iv) Candlegrove Pty Ltd is a company associated with Mr Jim Hazel.

(v) Mr Phillip Staveley commenced employment 10 April 2012.

No shares were granted to key personnel during the reporting period as compensation.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

18 RELATED PARTIES (continued)

Key Management Personnel Holding of Options & Rights:

The movement during the reporting period in the number of options over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

| 30 June 2013 | Note | Holding at 30 June 12 | Issued | Exercised (E) or Expired (X) | Holding at 30 June 13 |
|--|--------------|--------------------------------------|---------------|---|--------------------------------------|
| <u>2014 Exec Plan Options</u> | | | | | |
| Expiring: 30/06/2014, Exercise price: \$0.42 | | | | | |
| Mr Jim White | | 750,000 | - | - | 750,000 |
| <u>2014 Retention Rights</u> | | | | | |
| Expiring 31/07/2014, Exercise Price: \$0.00 | | | | | |
| Mr Jim White | (i) | 250,000 | - | (36,600) X | 213,400 |
| Mr Jim White | (ii) | 250,000 | - | - | 250,000 |
| Mr Alastair Watts | | 140,000 | - | - | 140,000 |
| Mr Ben Hammond | | 155,000 | - | - | 155,000 |
| Mr Steven Brown | | 190,000 | - | - | 190,000 |
| Mr Gavin Bosch | | 110,000 | - | - | 110,000 |
| <u>2014 Performance Rights</u> | | | | | |
| Expiring 31/07/2014, Share Hurdle: \$0.75 | | | | | |
| Mr Jim White | (iii) | 250,000 | - | - | 250,000 |
| Mr Alastair Watts | | 140,000 | - | - | 140,000 |
| Mr Ben Hammond | | 155,000 | - | - | 155,000 |
| Mr Steven Brown | | 190,000 | - | - | 190,000 |
| Mr Gavin Bosch | | 110,000 | - | - | 110,000 |
| Share hurdle: | | | | | |
| Mr Jim White | \$0.80 (iii) | 50,000 | - | - | 50,000 |
| Mr Jim White | \$0.90 (iii) | 100,000 | - | - | 100,000 |
| Mr Jim White | \$1.00 (iii) | 100,000 | - | - | 100,000 |
| <u>2015 Retention Rights</u> | | | | | |
| Expiring 31/07/2015, Exercise Price: \$0.00 | | | | | |
| Mr Alastair Watts | | - | 284,211 | - | 284,211 |
| Mr Ben Hammond | | - | 326,316 | - | 326,316 |
| Mr Steven Brown | | - | 139,474 | - | 139,474 |
| Mr Gavin Bosch | | - | 110,526 | - | 110,526 |
| <u>2015 Performance Rights</u> | | | | | |
| Expiring 31/07/2015, Share Hurdle: \$0.50 | | | | | |
| Mr Alastair Watts | | - | 284,211 | - | 284,211 |
| Mr Ben Hammond | | - | 326,316 | - | 326,316 |
| Mr Steven Brown | | - | 418,421 | - | 418,421 |
| Mr Gavin Bosch | | - | 331,579 | - | 331,579 |

- (i) An assessment of the vesting requirement for these rights was undertaken, resulting in a partial vesting of the rights at 30 June, 2013.
- (ii) An assessment of the vesting requirement for these rights was undertaken, resulting in a full vesting of the rights at 30 June, 2013.
- (iii) Mr Jim White was granted to the rights at the annual general meeting held 17 November 2011.

No other options or rights were granted to key personnel during the reporting period as compensation.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

18 RELATED PARTIES (continued)

Key Management Personnel Holding of Options (continued):

| 30 June 2012 | Note | Holding at 30 June 11 | Issued | Exercised (E) or Expired (X) | Holding at 30 June 12 |
|--|-------------|--------------------------------------|---------------|---|--------------------------------------|
| <u>2012 Exec Plan Options</u> | | | | | |
| Expiring: 30/06/2012, Exercise price: \$0.42 | | | | | |
| Mr Alastair Watts | | 287,500 | - | (287,500) X | - |
| Mr Gavin Bosch | | 312,500 | - | (312,500) X | - |
| <u>2014 Exec Plan Options</u> | | | | | |
| Expiring: 30/06/2014, Exercise price: \$0.42 | | | | | |
| Mr Jim White | | 750,000 | - | - | 750,000 |
| <u>2011 Retention Rights</u> | | | | | |
| Expiring 30/08/2011, Exercise Price: \$0.00 | | | | | |
| Mr Alastair Watts | | 108,313 | - | (108,313) E | - |
| Mr Ben Hammond | | 125,144 | - | (125,144) E | - |
| Mr Gavin Bosch | | 94,352 | - | (94,352) E | - |
| <u>2011 Performance Rights</u> | | | | | |
| Expiring 30/08/2011, Share Hurdle: \$0.44 | | | | | |
| Mr Alastair Watts | | 216,625 | - | (216,625) X | - |
| Mr Ben Hammond | | 250,287 | - | (250,287) X | - |
| Mr Gavin Bosch | | 188,703 | - | (188,703) X | - |
| <u>2014 Retention Rights</u> | | | | | |
| Expiring 31/07/2014, Exercise Price: \$0.00 | | | | | |
| Mr Jim White (i) | | - | 250,000 | - | 250,000 |
| Mr Jim White (ii) | | - | 250,000 | - | 250,000 |
| Mr Alastair Watts | | - | 140,000 | - | 140,000 |
| Mr Ben Hammond | | - | 155,000 | - | 155,000 |
| Mr Steven Brown | | - | 190,000 | - | 190,000 |
| Mr Gavin Bosch | | - | 110,000 | - | 110,000 |
| <u>2014 Performance Rights</u> | | | | | |
| Expiring 31/07/2014, Share Hurdle: \$0.75 | | | | | |
| Mr Jim White (iii) | | - | 250,000 | - | 250,000 |
| Mr Alastair Watts | | - | 140,000 | - | 140,000 |
| Mr Ben Hammond | | - | 155,000 | - | 155,000 |
| Mr Steven Brown | | - | 190,000 | - | 190,000 |
| Mr Gavin Bosch | | - | 110,000 | - | 110,000 |
| Share hurdle: | | | | | |
| Mr Jim White \$0.80 (iii) | | - | 50,000 | - | 50,000 |
| Mr Jim White \$0.90 (iii) | | - | 100,000 | - | 100,000 |
| Mr Jim White \$1.00 (iii) | | - | 100,000 | - | 100,000 |

- (i) Mr Jim White was granted to the rights at the annual general meeting held 17 November 2011. An additional vesting requirement (Inferred Resources to increase by 250Mt) attaches to these rights.
- (ii) Mr Jim White was granted to the rights at the annual general meeting held 17 November 2011. An additional vesting requirement (Port Spencer PER approval) attaches to these rights.
- (iii) Mr Jim White was granted to the rights at the annual general meeting held 17 November 2011.

No other options or rights were granted to key personnel during the reporting period as compensation.

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

19 CONTINGENT ASSETS

Inferred resource milestone incentive payments

WISCO may pay the Company four further payments of A\$ 27 million if and when the JORC Inferred Resources for the Eyre Peninsula Joint Venture reach 1.25Bt, 1.5Bt, 1.75Bt and 2.0Bt respectively (up to an additional A\$ 108 million).

Subsequent to year end as outlined in Note 25, a Memorandum of Understanding has been signed which may impact the inferred resource milestone payments.

20 COMMITMENTS AND CONTINGENT LIABILITIES

Minimum inferred resource milestone

The Company has an obligation to cede additional Inferred Resources into the Eyre Peninsula Joint Venture if after July 2015 the combined JORC Inferred Resources in the Joint Venture have not reached 1.0Bt in order to make up the shortfall.

Subsequent to year end as outlined in Note 25, a Memorandum of Understanding has been signed which may impact the minimum inferred resource milestone.

PIRSA Commitments

In order to maintain its right of renewal of tenements (reviewed on a regular basis), the Group is required to meet exploration expenditures as defined at the time of the granting of the tenements. The tenement commitments due to the end of January 2014 for Northern and Southern Eyre Peninsula are \$3,020,000 (2012: \$3,020,000 for 19 months) are listed and discussed in Section 10 of the Directors' Report.

Additional tenements held by the group require annual exploration expenditures of \$329,250 (2012: \$389,000).

Other commitments

At 30 June 2013 the Group had other commitments of \$nil (2012: \$nil) payable within one year.

Bungalow joint venture

The Company has entered into an agreement with Aussie Produce Pty Ltd to provide intermediary services in relation to the Bungalow joint venture. Should the Bungalow joint venture proceed to stage 3B (\$16 million), Aussie Produce Pty Ltd is entitled to receive 3% of the funding paid into the joint venture bank account (\$480,000 for stage 3B).

The Bungalow joint venture had commitments of \$40,200 as at 30 June 2013 (2012: \$1,425,886 relating to pre-feasibility studies).

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

21 NOTES TO THE STATEMENT OF CASH FLOWS

21(a) Reconciliation of Cash

For the purposes of the Consolidated Statements of Cash Flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial year, as shown in the Consolidated Statements of Cash Flows, is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

| | Note | 2013 | 2012 |
|---|-------------|-------------|--------------|
| | | \$ | \$ |
| Cash and cash equivalents | 6 | 10,005,832 | 1,852,376 |
| 21(b) Reconciliation of cash flows from operating activities | | | |
| Net profit / (loss) after income tax | | 1,004,564 | 673,476 |
| Interest income | | (5,173,619) | (4,534,022) |
| Depreciation | | 212,991 | 212,462 |
| Share options valuation | | 326,594 | 208,540 |
| Exploration expenditure written off | | - | 11,974 |
| Profit on disposal of plant and equipment | | (3,636) | (25,002) |
| Discount and amortisation of financial asset | | (244,343) | (233,319) |
| Increase in debtors | | (4,355) | (870) |
| Increase in other tax assets | | (261,922) | (14,433,011) |
| Increase in deferred tax assets / (liabilities) | | 353,611 | 1,663,419 |
| Decrease in payables | | (125,312) | (6,087,189) |
| Net cash used in operating activities | | (3,915,427) | (22,543,542) |

22 PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The Company holds 100% interest in the following controlled subsidiaries:

- South Australia Iron Ore Group Pty Ltd;
- Flinders Pastoral Pty Ltd;
- Sturt Pastoral Pty Ltd;
- DSO Development Pty Ltd;
- Lachlan Metals Pty Ltd;
- New Seam Coal Pty Ltd;
- Port Eyre Holdings Pty Ltd

Port Eyre Holdings Pty Ltd holds a 50% interest in Port Spencer Pty Ltd

23 SEGMENT REPORTING

The Group operates in one business segment; iron ore exploration and one geographical segment; Australia.

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Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

24 PARENT ENTITY DISCLOSURES

As at, and throughout the year the parent company of the Group was Centrex Metals Limited.

| | | Company | |
|--|-----|--------------------------|--------------------------|
| | | 2013 | 2012 |
| | | \$ | \$ |
| Result of the parent entity | | | |
| Profit for the period | (i) | 16,669,724 | 657,501 |
| Other comprehensive income | | - | - |
| Total comprehensive profit for the period | | <u>16,669,724</u> | <u>657,501</u> |
| Financial position of the parent entity | | | |
| Current assets | | 49,102,490 | 64,684,635 |
| Total assets | | 71,516,132 | 86,483,066 |
| Current liabilities | | 593,698 | 750,376 |
| Total liabilities | | <u>43,962,217</u> | <u>60,245,424</u> |
| Net assets | | <u>27,553,915</u> | <u>26,237,642</u> |
| Equity of the parent entity | | | |
| Contributed equity | | 41,330,328 | 41,330,328 |
| Share options issues | | 2,039,305 | 1,712,711 |
| Accumulated losses | | <u>(15,815,718)</u> | <u>(16,805,397)</u> |
| | | <u>27,553,915</u> | <u>26,237,642</u> |

- (i) The parent entity received a fully franked dividend from its wholly owned subsidiary. In addition, on 13 February 2013 the parent entity declared a special dividend of 5 cents per share, fully franked, on each of the issued ordinary shares of the company.

Commitments and contingent liabilities of the parent entity

The commitments and contingent liabilities of the parent entity are the same as those identified at note 20 with one exception. The PIRSA commitments for the parent entity exclude the commitments made on behalf of the wholly owned South Australian Iron Ore Group Pty Ltd. These commitments are part of an amalgamated expenditure agreement undertaken with PIRSA which makes the separation of commitments between the two entities not practicable.

25 EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, the company signed a non-binding Memorandum of Understanding (MOU) with Wuhan Iron & Steel (Group) Co. (WISCO) for proposed amendments to the partner's Eyre Iron Magnetite Joint Venture (the JV) of which the company holds a 40% interest. The principal terms of the MOU are as follows:

- The JV to move back into a Prefeasibility Study to allow assessment of new deposits within the Fusion Project. The JV has approximately \$9m of existing funding and the company and WISCO would jointly contribute a target of \$10m in additional funding to complete the Prefeasibility Study;

Notes to the Consolidated Financial Statements

For the Year Ended 30 June 2013

25 EVENTS SUBSEQUENT TO BALANCE DATE (continued)

- Upon completion of a Prefeasibility Study if WISCO and the company wish to progress the project, two options can be taken:
 - Option 1 – the joint venture would be incorporate and a listing sought on the ASX to raise funds for the completion of a Bankable Feasibility Study, with WISCO underwriting any shortfall up to a maximum of 25% and the company being diluted to no less than 30%.
 - Option 2 – WISCO and the company to work together to bring a third party investor into the joint venture to provide funding for the completion of a Bankable Feasibility Study, with the company again being diluted to no less than 30%.
- In return for this new funding path for the bankable Feasibility Study, the company will relinquish its entitlements to any resource incentive payments payable under the original agreement;
- WISCO also to agree to remove the obligation that the company must dilute in proportion if 1Bt of Inferred Resources are not defined within the joint venture during the first 7 years;
- If WISCO does not wish to proceed after completion of any resulting Prefeasibility Study then the company and WISCO will work together to conduct a trade sale for the joint venture.

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Directors' Declaration

In the opinion of the Directors of Centrex Metals Limited ('the Company'):

- 1 (a) the consolidated financial statements and notes set out on pages 36 to 69, and the Remuneration report in the Directors' Report, are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance, for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- 2 The Directors have been given the declarations by the Managing Director and General Manager Finance for the financial year ended 30 June 2013 pursuant to Section 295A of the Corporations Act 2001.
- 3 The Directors draw attention to Note 1(a) of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:



.....
Mr David Klingberg AO

Dated at Adelaide this 20th day of September 2013



Independent auditor's report to the members of Centrex Metals Limited

Report on the financial report

We have audited the accompanying financial report of Centrex Metals Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2013, and consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year ended on that date, notes 1 to 25 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement whether due to fraud or error. In note 1(a), the directors also state, in accordance with Australian Accounting Standard AASB 101 *Presentation of Financial Statements*, that the financial statements of the Group comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Corporations Act 2001* and Australian Accounting Standards, a true and fair view which is consistent with our understanding of the Group's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.



Auditor's opinion

In our opinion:

- (a) the financial report of the Group is in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2013 and of its performance for the year ended on that date;
 - (ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and
- (b) the financial report also complies with International Financial Reporting Standards as disclosed in note 1(a).

Report on the remuneration report

We have audited the Remuneration Report included in section 5 of the directors' report for the year ended 30 June 2013. The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with Section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with auditing standards.

Auditor's opinion

In our opinion, the remuneration report of Centrex Metals Limited for the year ended 30 June 2013, complies with Section 300A of the *Corporations Act 2001*.

KPMG

Scott Fleming
Partner

Adelaide

20 September 2013

CENTREX METALS LIMITED
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ASX Additional Information (unaudited)

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial Shareholders of Ordinary and Escrow shares

11 September 2013

The number of shares held by substantial shareholders and their associates are set out below:

| Rank | Name | Units | % of Issued Capital |
|------|--|------------|---------------------|
| 1 | SOUTH COVE LTD | 80,876,005 | 25.79 |
| 2 | WUGANG AUSTRALIAN RESOURCES INVESTMENT PTY LTD | 40,399,599 | 12.88 |
| 3 | BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED | 21,900,000 | 6.98 |
| 4 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 17,968,624 | 5.73 |
| 5 | SEL HOLDINGS LIMITED | 16,198,000 | 5.17 |

Distribution of equity holders

31 August 2013

| Category | Number of Equity Security Holders | |
|------------------|-----------------------------------|--------------------------------|
| | Ordinary & Escrow Shares | Employee Options / Rights Plan |
| 1 – 1,000 | 129 | - |
| 1,001 – 5,000 | 605 | - |
| 5,001 – 10,000 | 428 | - |
| 10,001 – 100,000 | 620 | - |
| 100,001 and over | 133 | 6 |
| | 1,915 | 6 |

The number of shareholders holding a less than marketable parcel of: ordinary shares is 548 (2012: 438).

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A.B.N. 97 096 298 752

ASX Additional Information (unaudited)

Top 20 Holders of Ordinary and Escrow shares

11 September 2013

| Rank | Name | Units | % of Issued Capital |
|---|--|--------------------|----------------------------|
| 1 | SOUTH COVE LTD | 80,876,005 | 25.79 |
| 2 | WUGANG AUSTRALIAN RESOURCES INVESTMENT PTY LTD | 40,399,599 | 12.88 |
| 3 | BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED | 21,900,000 | 6.98 |
| 4 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 17,968,624 | 5.73 |
| 5 | SEL HOLDINGS LIMITED | 16,198,000 | 5.17 |
| 6 | UNITED IRON LIMITED | 15,000,000 | 4.78 |
| 7 | MR SIK ERN WONG | 8,480,000 | 2.70 |
| 8 | DAVAN NOMINEES PTY LTD | 6,016,073 | 1.92 |
| 9 | MR MELVIN BOON KHER POH | 5,300,000 | 1.69 |
| 10 | KENG CHUEN THAM | 4,395,300 | 1.40 |
| 11 | LODGE LIMITED | 4,366,667 | 1.39 |
| 12 | GERARD ANDERSON SUPERANNUATION FUND | 4,000,000 | 1.28 |
| 13 | MR EWE GHEE LIM + MISS CHARLENE YULING LIM | 3,750,000 | 1.20 |
| 14 | MISS LAY HONG GOH | 3,097,301 | 0.99 |
| 15 | JP MORGAN NOMINEES AUSTRALIA LIMITED | 2,689,168 | 0.86 |
| 16 | COMMODITY TRADERS (NZ) LTD | 2,617,327 | 0.83 |
| 17 | MR YAM POEY CHEW | 2,500,000 | 0.80 |
| 18 | CITICORP NOMINEES PTY LIMITED | 2,270,495 | 0.72 |
| 19 | NATIONAL NOMINEES LIMITED | 1,968,871 | 0.63 |
| 20 | MR KIAT POH | 1,918,880 | 0.61 |
| Top 20 holders of ORDINARY & ESCROW SHARES as at 11 Sep 2013 | | 245,712,310 | 78.35 |

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

ASX Additional Information (unaudited)

List of tenements in which the Group has an interest

11 September 2013

| Tenement | Held by | Interest (%) |
|---|----------------|---------------------|
| <u>Northern Area</u> | | |
| Gilles Downs EL 4571 previously EL 3375 | CXM(i) | 100 |
| Bungalow/Minbrie EL 4884 previously EL 3610 | (a) CXM(i) | 70 |
| Cockabidnie EL 4883 previously EL 3609 | CXM(i) | 100 |
| Kimba Gap EL 5170 previously 3968 | SAIOG(ii) | 100 |
| Ironstone Hut EL 5245 previously EL 3999 | SAIOG(ii) | 100 |
| Whyalla ('Ironstone Hill') EL TBA prev. EL 4185 | SAIOG(ii) | 100 |
| Stony Hill EL 4451 previously EL 3287 | SAIOG(ii) | 100 |
| <u>Southern Area</u> | | |
| Wanilla EL 4384 previously EL 3269 | (b) CXM(i) | 40 |
| Wilgerup EL 4467 previously EL 3317 | CXM(i) | 100 |
| Greenpatch EL 4885 previously EL 3611 | (b) CXM(i) | 40 |
| Dutton Bay EL 4605 previously EL 3421 | (b) CXM(i) | 40 |
| Mount Hill EL 5065 previously EL 3877 | (b) SAIOG(ii) | 40 |
| Carrow EL 4998 previously EL 3731 | (b) SAIOG(ii) | 40 |
| <u>Other Areas</u> | | |
| Lock EL 4588 previously EL 3401 | CXM(i) | 100 |
| Goulburn (NSW) EL 7388 | CXM(i) | 100 |
| Archer (NSW) EL 7503 | CXM(i) | 100 |
| Gundaroo (NSW) EL 8133 | LM(iii) | 100 |
| Industrial Minerals (NSW) EL 8098 | CXM(i) | 100 |

(i) Centrex Metals Limited ("CXM")

(ii) South Australian Iron Ore Group Pty Limited ("SAIOG")

(iii) Lachlan Metals Pty Ltd ("LM")

(a) 28 November 2011 following the third phased payment to the Bungalow joint venture account.

(b) Wuhan Iron and Steel (Group) Limited acquired 60% of the iron ore rights to these tenements on 7 July 2010 following financial close of the Eyre Peninsula joint venture agreement.

CENTREX METALS LIMITED
A.B.N. 97 096 298 752

ASX Additional Information (unaudited)

Company Directory

Company Secretary

Gavin Mathew Bosch CPA

Principal Registered Office

Centrex Metals Limited
Level 11, 147 Pirie Street
Adelaide SA 5000
08 8100 2200
08 8232 0500
www.centrexmetals.com.au

Locations of Share Registries

Adelaide

Computershare Investors Pty Ltd
Level 5
115 Grenfell Street
Adelaide SA 5000

Abbotsford

Computershare Limited Yarra Falls
452 Johnston Street
Abbotsford
Vic 3067

| | |
|------------------------------|--|
| Enquiries within Australia: | 1300 556 161 |
| Enquiries outside Australia: | 61 3 9415 4000 |
| Email: | Web.queries@computershare.com.au |
| Website | www.computershare.com.au |

Australian Securities Exchange

The Company listed on the Australian Securities Exchange on 17 July 2006. The Home exchange is Adelaide.

ASX Codes

Shares: CXM

Auditors

KPMG
Chartered Accountants
151 Pirie Street
Adelaide SA 5000