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Interim Report

For the Six Months Ending

December 31st 2017

Director's Report

For the Six Month's ending 31st December 2017

The Directors present their report together with the consolidated interim financial report of Centrex Metals Limited ("Company") and its controlled entities ("Group"), for the six months ended 31st December 2017 and the auditor's review report thereon.

1 Directors

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

Name and Qualifications	Appointed / Resigned	Position
Mr David Klingberg AO FTSE, D UniSA, B.Tech, FIE Aust, FAus IMM, FAICD, KSJ	Appointed 19/4/05	Chairman (from 19/1/10) Independent Non-Executive Director
Mr Ben Hammond BSc (Geol), MBA, FAusIMM, GAICD	Appointed 17/10/17	Managing Director & CEO
Mr Kiat Poh CDipAF, Dip MS, Dip C.E.	Appointed 21/05/08	Independent Non-Executive Director
Mr Graham Chrisp B Tech (CE)	Appointed 21/1/10	Non-Executive Director
Mr Jim Hazel B.Ec, SF Fin, FAICD	Appointed 12/7/10	Independent Non-Executive Director
Mr Chris Indermaur BEng (Mech), GDipEng (Chem), LLB, LLM, GDLP	Appointed 1/7/17	Independent Non-Executive Director

2 Review of Operations

2.1 Financial Performance

The Group generated a net loss after tax of \$619,372 (2016: net profit after tax of \$456,677) and holds combined cash and term deposits of \$17,455,381 (30th June 2017: combined cash and term deposits of \$20,008,900).

Outlined below are the operational activities undertaken by the Group which includes the joint arrangements in which the Group holds an interest at 31st December 2017.

2.2 Ardmore Phosphate Rock Project, QLD

Current Mineral Resources for the Ardmore Phosphate Rock Project (“Ardmore”) in North West Queensland now stand at 14.2 million tonnes at 28.7% P₂O₅ (using a 19% P₂O₅ cut-off). This includes 12.3 million tonnes of Indicated & Measured Mineral Resources. The upgraded Mineral Resource came on the back of a 319 hole reverse circulation (“RC”) infill drilling program completed in September 2017. The Mineral Resource was used by Centrex to complete a Scoping Study for the project with results being released in January 2018. The Scoping Study was completed in parallel to the ongoing Feasibility Study due for completion in mid-2018.

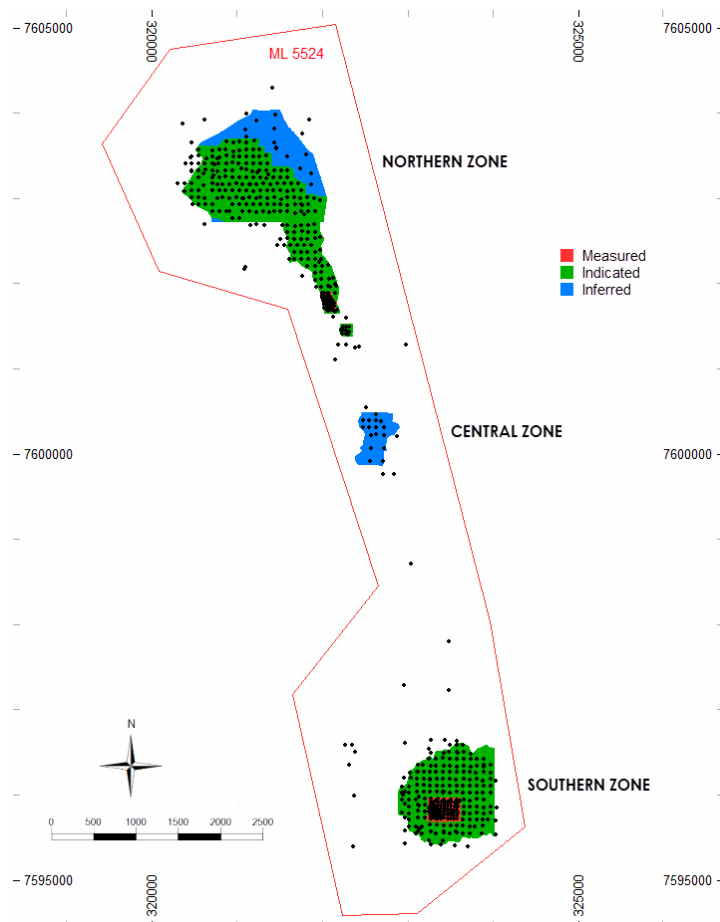


FIGURE: Plan view of drill hole locations over Mineral Resource area by category.

For full details of the Mineral Resource refer announcement 18th December 2017;

<http://www.asx.com.au/asxpdf/20171218/pdf/43q8hp4xygcbh0.pdf>

The results were reported under JORC 2012 and Centrex is not aware of any new information or data that materially affects the information contained within the release. All material assumptions and technical

parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

For the results of the Scoping Study please see the announcement on the 15th of January 2018;

<https://www.asx.com.au/asxpdf/20180115/pdf/43qtg9nqt9y78w.pdf>

Further infill drilling commenced in January 2018 to upgrade current Mineral Resources across the first years of proposed mining to Measured category, and to upgrade areas to Indicated within the proposed pit limits currently classified as Inferred. The planned drilling ultimately aims to support the establishment of Ore Reserves sufficient to underpin the Feasibility Study.

In addition to resource drilling, a 24 hole PQ diamond drilling program was completed to provide 1 tonne of composite metallurgical sample for bench scale test work to support the Scoping Study, and pilot plant test work to support the Feasibility Study. Bench scale test work was successfully completed during the period showing the potential to produce a premium grade 35% P_2O_5 concentrate with ultra-low cadmium levels via a relatively simple crushing, attritioning and desliming circuit. Feasibility level test work commenced in December and piloting is expected to be completed in early 2018. The pilot trials will provide concentrate product samples to meet numerous customer requests.

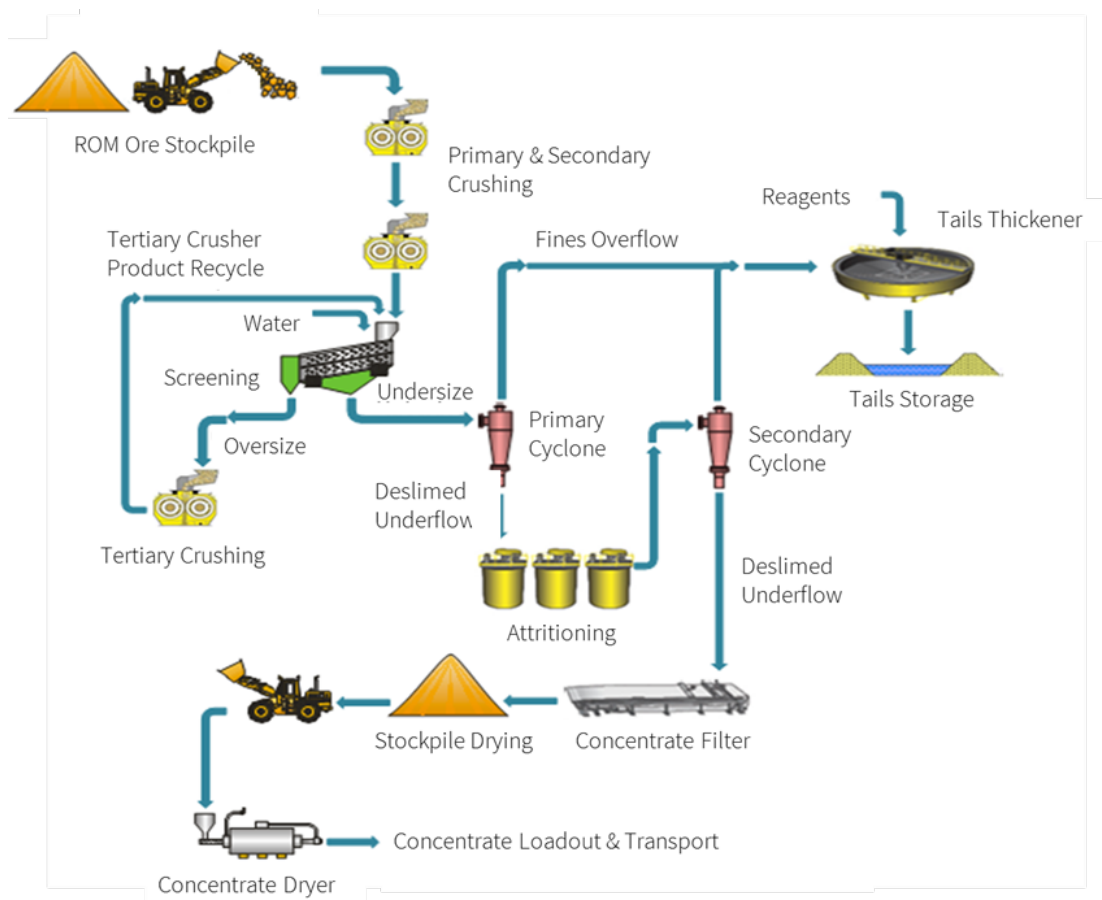


FIGURE: Scoping Study process flow diagram.

A bulk excavation was completed in December 2017 to provide a 1 tonne sample for vendor crushing test work in the US. The test work is trialing various stages of crushing using either rolls crushers or hammer mills. Potential has been identified to reduce the number of crushing stages from the three stages assumed in the Scoping Study given the weak nature of the ore shown from test work to date. Results of the vendor crushing work will be available in early 2018.



FIGURE: Excavation of bulk phosphate rock sample for crusher test work at Ardmore.

Northern Resource Consultants (“NRC”) completed an early dry season flora and fauna survey, and RBC Environmental in conjunction with the relevant traditional owners completed a heritage survey across the Mining Lease. The surveys have both shown no significant impediments to developing a phosphate rock mining operation at Ardmore.

Water bores were completed in the Northern Zone of the deposit along with a successful 4 day ground water pump test. The aim of the pump test was to determine the potential to use ground water as process water. Negligible drawdown within the water bore and surrounding monitoring bores was seen; demonstrating a large potential volume. Moderately saline water was encountered which is to be treated with a reverse osmosis plant (“RO”) for process water. Surface water harvesting is also being assessed along with other potential fresh groundwater sources off the Mining Lease.

Dust monitoring commenced at the mine and rail siding sites as part of the ongoing environmental baseline studies.

The Mining Lease covering the project has been successfully renewed for a further 21 years.

2.3 Oxley Potassium Nitrate Project, WA

An engineering design review of Centrex's Oxley Potassium Nitrate Project ("Oxley") located 125km from the Port of Geraldton in Western Australia was completed during the period. The key outcomes from the design review was to reduce the overall complexity and footprint of original scoping study design, and to select a go-forward design option to underpin a prefeasibility study test work program.

The updated engineering design also included a 3D plant model which allows for a better understanding of the plant layout and was used to estimate the construction quantities required for plant and ancillary facilities.

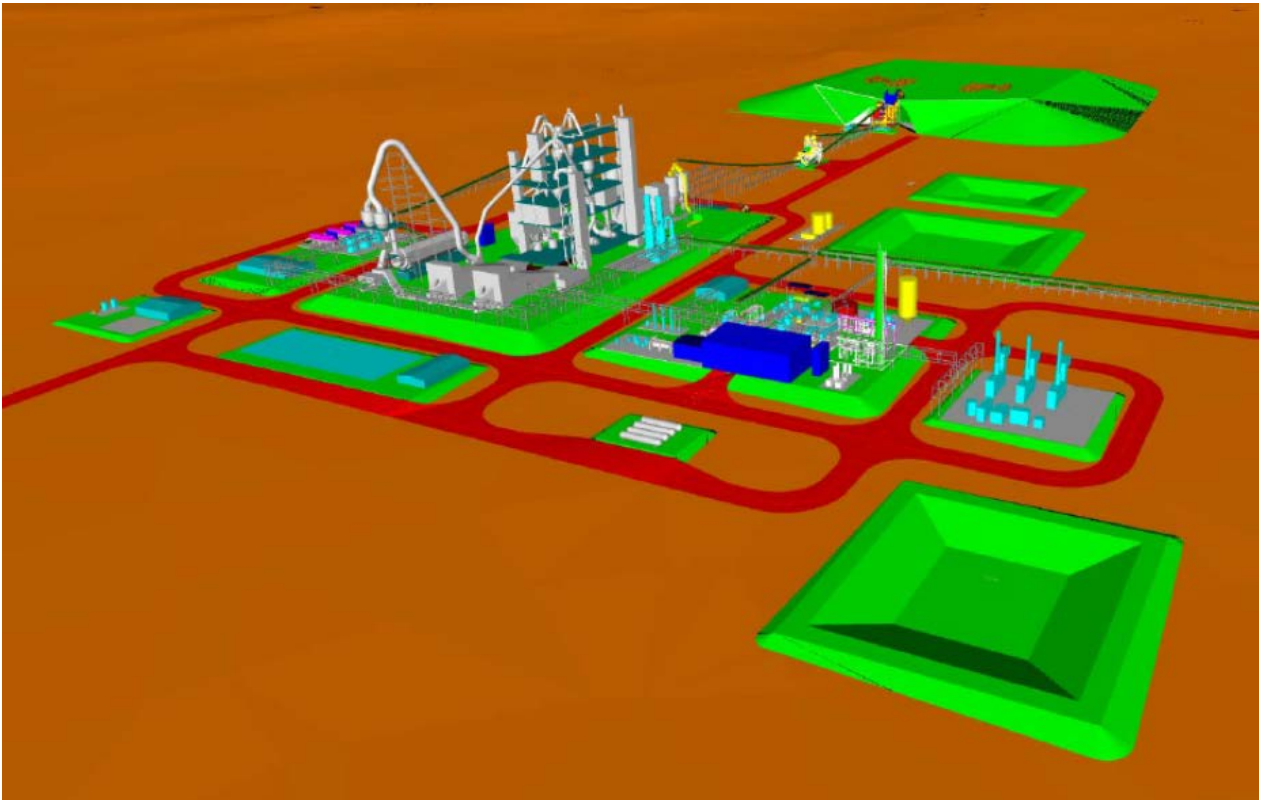


FIGURE: Oblique view looking south-east at the Oxley process plant, pit and mine waste facilities designs.

Following completion of the design review activities were placed predominantly on hold whilst the Ardmore Phosphate Rock Project Scoping Study was being finalised. However, quotations are being sought from two vendors for small scale continuous pilot plant roasting circuit test work.

2.4 Goulburn Zinc Project, NSW

No exploration activities were undertaken during the period for the Goulburn Zinc Project. The Company is undertaking an internal review of the exploration results to date with a view to establishing drilling targets for an exploration program to be conducted in the near future.

2.5 Iron Ore Portfolio, SA

No exploration activities were undertaken during the period.

A Deed of Termination was signed in September 2017 to wind-up the Eyre Iron Magnetite Joint Venture. Work is being undertaken to progress the termination in a timely manner. Rehabilitation of the Joint Venture project site was completed during the quarter and requests for the return of work retention bonds made to the South Australian Government.

2.6 Subsequent Events

The following material event occurred subsequent to the period end:

- The Company released the results of the Ardmore Phosphate Rock Project Scoping Study to the Australian Securities Exchange on 15th January 2018. For the results of the Scoping Study please see the announcement available at the following address: <https://www.asx.com.au/asxpdf/20180115/pdf/43qtg9nqt9y78w.pdf>

2.7 Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 20 and forms part of the Directors' Report for the six months ended 31st December 2017.

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



Mr David Klingberg, AO

Dated at Adelaide this 15th day of March 2018.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months ending 31st December 2017

	Note	Six months ending 31 Dec 2017 \$	Six months ending 31 Dec 2016 \$
Other income	8	116,364	1,279,367
Office and administration expenses		(176,075)	(147,795)
Consultants and management expenses		(84,315)	(166,115)
Directors' fees		(165,881)	(138,780)
Employee benefit expenses		(300,056)	(255,725)
Depreciation expense		(5,578)	(19,629)
Exploration expense	11	(185,347)	(190,807)
Other asset impairments		-	(117,556)
Other expenses		(51,630)	(155,566)
Results from operating activities		(852,518)	87,394
Finance income		233,146	369,283
Net finance income		233,146	369,283
Profit / (Loss) before income tax		(619,372)	456,677
Income tax benefit / (expense)		-	-
Profit / (Loss) for the period		(619,372)	456,677
Other comprehensive income		-	-
Total comprehensive income for the period		(619,372)	456,677
Profit / (Loss) attributable to:			
Owners of the Company		(619,372)	456,677
Profit / (Loss) for the period		(619,372)	456,677

Earnings per share for loss attributable to the ordinary equity holders of the company:		Cents per share	Cents per share
Basic earnings per share	9	(0.1963)	0.1447
Diluted earnings per share	9	(0.1963)	0.1447

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

Consolidated Statement of Changes in Equity

For the Six Months ending 31st December 2017

	Contributed equity	Share Option reserve	Profit reserve	Accumulated Losses	Total
	\$	\$	\$	\$	\$
<u>Current Period</u>					
Balance at 1 st July 2017	41,330,328	2,377,177	1,004,564	(9,960,018)	34,752,051
Loss for the period	-	-	-	(619,372)	(619,372)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	(619,372)	(619,372)
Contributions from/to equity owners					
Share-based payment transactions	-	13,683	-	-	13,683
Balance at 31 st December 2017	41,330,328	2,390,860	1,004,564	(10,579,390)	34,146,362
<u>Prior Period</u>					
Balance at 1 st July 2016	41,330,328	2,377,177	1,004,564	(10,448,846)	34,263,223
Profit for the period	-	-	-	456,677	456,677
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	456,677	456,677
Contributions from/to equity owners					
Share-based payment transactions	-	-	-	-	-
Balance at 31 st December 2016	41,330,328	2,377,177	1,004,564	(9,992,169)	34,719,900

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

Consolidated Statement of Financial Position

As at 31st December 2017

	Note	As at	
		31 st Dec 2017 \$	30 th June 2017 \$
Assets			
Cash and cash equivalents		4,149,758	1,872,497
Term deposits		13,305,623	18,136,403
Receivables and other assets	10	203,195	723,129
Total Current Assets		17,658,576	20,732,029
Exploration and evaluation expenditure	11	16,556,225	14,143,446
Land and buildings		625,000	625,455
Plant and equipment		15,454	15,937
Total Non-Current Assets		17,196,679	14,784,838
Total assets		34,855,255	35,516,867
Liabilities			
Trade and other payables		250,794	321,024
Employee benefits		376,970	271,899
Total Current Liabilities		627,764	592,923
Employee benefits		81,129	171,893
Total Non-Current Liabilities		81,129	171,893
Total Liabilities		708,893	764,816
Net assets		34,146,362	34,752,051
Equity			
Contributed equity		41,330,328	41,330,328
Share option reserve		2,390,860	2,377,177
Profit reserve		1,004,564	1,004,564
Accumulated losses		(10,579,390)	(9,960,018)
Total equity		34,146,362	34,752,051

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

Consolidated Statement of Cash Flows

For the Six Months ending 31st December 2017

	Note	Six months ending 31 Dec 2017 \$	Six months ending 31 Dec 2016 \$
Cash flows from operating activities			
Other income received		19,988	1,290,180
Payments to suppliers and employees		(318,328)	(953,761)
Research and development tax incentive received		-	174,067
Net cash from operating activities		(298,340)	510,486
Cash flows from investing activities			
Expenditure on mining tenements		(2,598,126)	(1,205,644)
Interest received		251,224	434,036
Acquisition of plant and equipment		(4,641)	(17,302)
Proceeds on disposal of assets		96,364	-
Net cash from investing activities		(2,255,179)	(788,910)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash before term deposits		(2,553,519)	(278,424)
Cash transferred (to) / from term deposits		4,830,780	4,704,427
Net increase in cash		2,277,261	4,426,003
Cash at the beginning of the year		1,872,497	1,714,633
Cash at the end of the year		4,149,758	6,140,636

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

Condensed Notes to the Consolidated Interim Financial Report

For the Six Months ending 31st December 2017

1 REPORTING ENTITY

Centrex Metals Limited (the 'Company') is a company domiciled in Australia. Its registered office is located at Level 6, 44 Waymouth Street Adelaide, SA 5000.

The consolidated interim financial report of the Company as at and for the six months ended 31st December 2017 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30th June 2017 is available at:

<http://www.centrexmetals.com.au/wp-content/uploads/2017/10/20170919-Annual-Report.pdf>

2 STATEMENT OF COMPLIANCE

The consolidated interim financial report has been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001* and does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30th June 2017.

This consolidated interim financial report was approved by the Board of Directors on 15th March 2018.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in preparing the consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30th June 2017.

4 ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30th June 2017.

5 FINANCIAL RISK MANAGEMENT

The consolidated entity's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30th June 2017.

6 SEGMENT REPORTING

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), it is appropriate to have one operating segment.

Outlined in note 11 of the Interim Financial Report relating to Exploration and Evaluation Expenditure is the exploration expenditure incurred on all of the Group's tenements.

7 PRINCIPLES OF CONSOLIDATION FOR JOINT ARRANGEMENTS

Joint ventures

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

Jointly controlled operations and assets

The interests of the Group in jointly controlled operations (including unincorporated joint arrangements) 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 arrangement. To the extent that the Group is being "free-carried" in the jointly controlled assets it will not reflect a share of such expenditure.

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

8 OTHER INCOME

Other income consisted of the following:

	Six months ending 31 Dec 2017 \$	Six months ending 31 Dec 2016 \$
Option fee over Port Spencer land ^A	20,000	-
Proceeds from settlement of Port Spencer Pty Ltd legal claim ^B	-	1,279,367
Profit on sale of property, plant and equipment	96 364	-
	116,364	1,279,367

^A In November 2017 the Group signed an option agreement with a third party upon which the third party can elect to acquire the land held by the Group at Port Spencer for \$1.4 million, less any option fees paid. The option agreement requires the payment to Centrex of a non-refundable monthly fee of \$10,000 which

expires on 31st March 2018. The Group has not yet formed the opinion that the exercise of the option is highly probable.

- B Settlement proceeds relating to the winding up of Port Spencer Pty Ltd. For more information please see the following announcement:

<http://www.asx.com.au/asxpdf/20171014/pdf/43bzip5lthlj67v.pdf>

9 EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

	Six months ending 31 Dec 2017 \$	Six months ending 31 Dec 2016 \$
Earnings used in calculation of basic EPS: Profit / (Loss) after tax	(619,372)	456,677
Weighted average number of ordinary shares for the purpose of basic earnings per share (i)	315,505,357	315,505,357
Weighted average number of ordinary shares for the purpose of diluted earnings per share (ii)	315,505,357	315,505,357
Basic earnings – cents per share	(0.1963)	0.1447
Diluted earnings – cents per share	(0.1963)	0.1447

- (i) 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.
- (ii) The calculation of diluted earnings per share does not include weighted potential ordinary shares on issue as to do so would have the effect of reducing the amount of loss per share for the period ending 31st December 2017 (2016: there were no 'in the money' options or rights at period end).

10 RECEIVABLES AND OTHER ASSETS

	As at 31 Dec 2017 \$	As at 30 Jun 2017 \$
Interest due on term deposits	79,569	97,648
Prepayments	103,404	94,939
GST Receivable	20,222	530,542
	203,195	723,129

11 EXPLORATION AND EVALUATION EXPENDITURE

During the six months ended 31st December 2017, the Group incurred expenditure with a cost of \$2,598,126 (six months ended 31st December 2016: \$1,183,198) on the following exploration tenements:

		Cumulative Capitalised Expenditure to 30 th Jun 17	Capitalised expenditure 6 months to 31 st Dec 17	Exploration expense 6 months to 31 st Dec 17	Cumulative Capitalised Expenditure to 31 st Dec 17
		\$	\$	\$	\$
Centrex Metals Limited					
Greenpatch EL5852	W	-	770	(770)	-
Wilgerup EL5641		-	59,936	(59,936)	-
Wanilla EL5559	W	-	1,843	(1,843)	-
		-	62,549	(62,549)	-
South Australian Iron Ore Group Pty Ltd					
Mount Hill EL6024	W	-	25,437	(25,437)	-
Carrow EL5971	W	-	11,066	(11,066)	-
Kimba Gap EL5170		-	84,528	(84,528)	-
		-	121,031	(121,031)	-
Lachlan Metals Pty Ltd					
Goulburn (NSW) EL7388		1,810,110	16,025	-	1,826,135
Archer (NSW) EL7503		214,968	1,984	-	216,952
Woolgarlo (NSW) EL8215		-	1,767	(1,767)	-
		2,025,078	19,776	(1,767)	2,043,087
Centrex Phosphate Pty Ltd					
Ardmore ML5542		5,913,445	2,269,970	-	8,183,415
		5,913,445	2,269,970	-	8,183,415
Centrex Potash Pty Ltd					
Oxley A E70/3777		975,839	29,205	-	1,005,044
Oxley B E70/4004		884,106	13,168	-	897,274
Oxley C E70/4318		1,370,458	14,804	-	1,385,262
Oxley D E70/4319		865,183	13,249	-	878,432
Oxley E E70/4320		857,748	12,609	-	870,357
Oxley F E70/4378		863,221	17,061	-	880,282
Oxley G E70/4729		388,368	24,704	-	413,072
		6,204,923	124,800	-	6,329,723
Total		14,143,446	2,598,126	(185,347)	16,556,225

(W) WISCO has a 60% interest in the iron ore rights to the 4 tenements identified above pursuant to the Eyre Peninsula Joint Venture agreement which covers the same tenements.

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

Mining tenements are recorded at cost. The carrying amount is reviewed regularly by the Directors and is dependent upon the discovery and exploitation of commercially viable mineral deposits, the generation of sufficient income from, or sale of tenements for at least their book value. Depreciation will not be charged until production commences.

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 Group will assess the assets for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying value amount exceeds the recoverable amount. For the purpose of impairment testing, the assets are allocated to cash-generating units.

The Group has expensed all iron ore tenement expenditure for the six months to 31st December 2017.

Exploration expense, exploration impaired and other assets impaired included the following:

	Six months ending 31 Dec 2017 \$	Six months ending 31 Dec 2016 \$
Exploration expense	185,347	190,807
Exploration expense and exploration impaired	185,347	190,807
Eyre Peninsula Joint venture related assets impaired	-	117,556
Other asset impairments	-	117,556

12 KEY MANAGEMENT PERSONNAL DISCLOSURE

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments. Other related party transactions included:

	Six months ending 31 Dec 2017 \$ (ex GST)	Six months ending 31 Dec 2016 \$ (ex GST)
Outback Metals Pty Ltd (i)	27,101	27,102
Outback Metals Pty Ltd (ii)	-	6,000
Asiasphere Pty Ltd (iii)	32,029	32,029
Patna Properties Pty Ltd (iv)	49,275	49,275
Brightstar Australia Pty Ltd (v)	27,101	-
Brightstar Australia Pty Ltd (vi)	6,542	-

- (i) Outback Metals Pty Ltd is associated with Mr Graham Chrisp. Mr Chrisp undertakes his directorship to the Company as a consultant.
- (ii) Outback Metals Pty Ltd is associated with Mr Graham Chrisp. The Company acquired a second hand field analyser from Outback Metals Pty Ltd.

- (iii) Asiasphere Pty Ltd is a firm associated with Mr Kiat Poh. Mr Poh undertakes his directorship to the Company as a consultant.
- (iv) Patna Properties Pty Ltd is a firm associated with Mr David Klingberg, AO. Mr Klingberg undertakes his directorship to the Company as a consultant.
- (v) Brightstar Australia Pty Ltd is a firm associated with Mr Chris Indermaur. Mr Indermaur undertakes his directorship to the Company as a consultant.
- (vi) Brightstar Australia Pty Ltd is a firm associated with Mr Chris Indermaur. Prior to Mr Indermaur's appointment as a director he was engaged as a consultant and this engagement was terminated.

13 RELATED PARTY TRANSACTIONS

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

	Six months ending 31 Dec 2017 \$	Six months ending 31 Dec 2016 \$
Expenditure incurred on behalf of the entity		
Eyre Peninsula Joint Venture (i)	8,613	10,689
Bungalow Joint Venture (ii)	-	1,392
		12,081
Assets and liabilities arising from the above transactions		
Other receivables:		
Current debtors	-	-

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

Centrex is reimbursed for expenditure incurred on behalf of joint arrangements.

14 CONTINGENT ASSETS

Port Spencer Joint Venture

At 31st December 2017 the Group had no contingent assets (2016: no contingent assets).

15 CONTINGENT LIABILITIES AND COMMITMENTS

Minimum exploration tenement expenditures

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. A summary of these commitments is as follows:

	As at 31 Dec 2017 \$	As at 31 Dec 2016 \$
South Australian Tenements		
Tenements with annual commitments	-	160,000
Tenements with a 24 month commitment to 31 st January 2019	200,000	2,070,000
New South Wales Tenements		
Tenements with annual commitments	320,000	157,000
West Australian Tenements		
Tenements with annual commitments	372,000	284,500
Queensland Tenements		
Tenements with commitments for the first year of the licence	85,500	-
Tenements with commitments for years 2 to 5 of the licence	396,500	-

Other commitments

At 31st December 2017 the Group had commitments of \$671,026 payable within one year to a number of vendors in relation to the Ardmore Phosphate Rock Project feasibility study (2016: nil).

16 SUBSEQUENT EVENTS

The following material event occurred subsequent to the period end:

- The Company released the results of the Ardmore Phosphate Rock Project Scoping Study to the Australian Securities Exchange on 15th January 2018. For the results of the Scoping Study please see the announcement available at the following address: <https://www.asx.com.au/asxpdf/20180115/pdf/43qtg9nqt9y78w.pdf>

Directors' Declaration

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

- 1 the consolidated interim financial statements and notes set out on pages 8 to 18, are in accordance with the *Corporations Act 2001* including:
 - (i) giving a true and fair view of the financial position of the consolidated entity as at 31st December 2017 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Mr David Klingberg, AO

Dated at Adelaide this 15th day of March 2018.

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 review of Centrex Metals Limited for the half-year ended 31 December 2017 there have been:

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



KPMG



Paul Cenko
Partner

Adelaide

15 March 2018

Independent Auditor's Review Report

To the shareholders of Centrex Metals Limited

Report on the Consolidated Interim Financial Report

Conclusion

We have reviewed the accompanying Consolidated Interim Financial Report of Centrex Metals Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Consolidated Interim Financial Report of Centrex Metals Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 31 December 2017 and of its performance for the half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Consolidated Interim Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2017;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the half-year ended on that date;
- Notes 1 to 16 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The Group comprises Centrex Metals Limited (the Company) and the entities it controlled at the half year's end or from time to time during the half-year.

Responsibilities of the Directors for the Consolidated Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Consolidated Interim 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 Consolidated Interim Financial Report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the Consolidated Interim Financial Report

Our responsibility is to express a conclusion on the Consolidated Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Consolidated Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Centrex Metals Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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



KPMG



Paul Cenko
Partner

Adelaide

15 March 2018