

KIMBA GAP MAGNETITE PROJECT

General Manager

7th April 2015

The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

CENTREX AND BAOTOU IRON & STEEL SIGN MOU FOR KIMBA GAP

Centrex Metals Limited ("Centrex") advises that it has today signed a non-binding memorandum of understanding ("MOU") in relation to its Kimba Gap magnetite iron ore project ("Kimba Gap") in South Australia with Baogang Group Investment (Australia) Pty Ltd, a subsidiary of the Baotou Iron & Steel (Group) Co. ("Baotou").

Under the terms of the MOU Baotou will undertake preliminary metallurgical test work in China on a 300kg bulk iron ore sample from Kimba Gap at its own cost. Up to A\$ 250,000 of the test work costs will be counted as deemed contributions towards payments required under any future exploration joint venture between the companies over the project. Centrex will be provided copies of all test work results.

A visiting Baotou technical delegation has worked with Centrex to complete the sampling for the 300kg bulk sample, formed from drill core available from Centrex's previous drilling programs. The sample is expected to arrive in China imminently, with test work to commence immediately, and results expected within the coming months.

Kimba Gap is located just 50km north of Centrex's existing iron ore joint venture with Baotou at the Bungalow magnetite project ("Bungalow"). Baotou had previously requested the Prefeasibility Study being undertaken at Bungalow be extended to analyse potential synergies in utilising common supporting infrastructure with Kimba Gap given the very similar nature of the projects. The new test work program is part of this analysis.

Centrex is currently well advanced in the application of a Mineral Claim over Kimba Gap, which it expects to be granted in the first half of 2015.

Project Overview

The 100% Centrex owned Kimba Gap iron ore project comprises two parallel moderate to steeply dipping outcropping banded iron formations (“BIF”) that extend some 4.6km. The two BIF units were defined from outcrop mapping, surface sampling, geophysical surveys, and resource definition drilling.

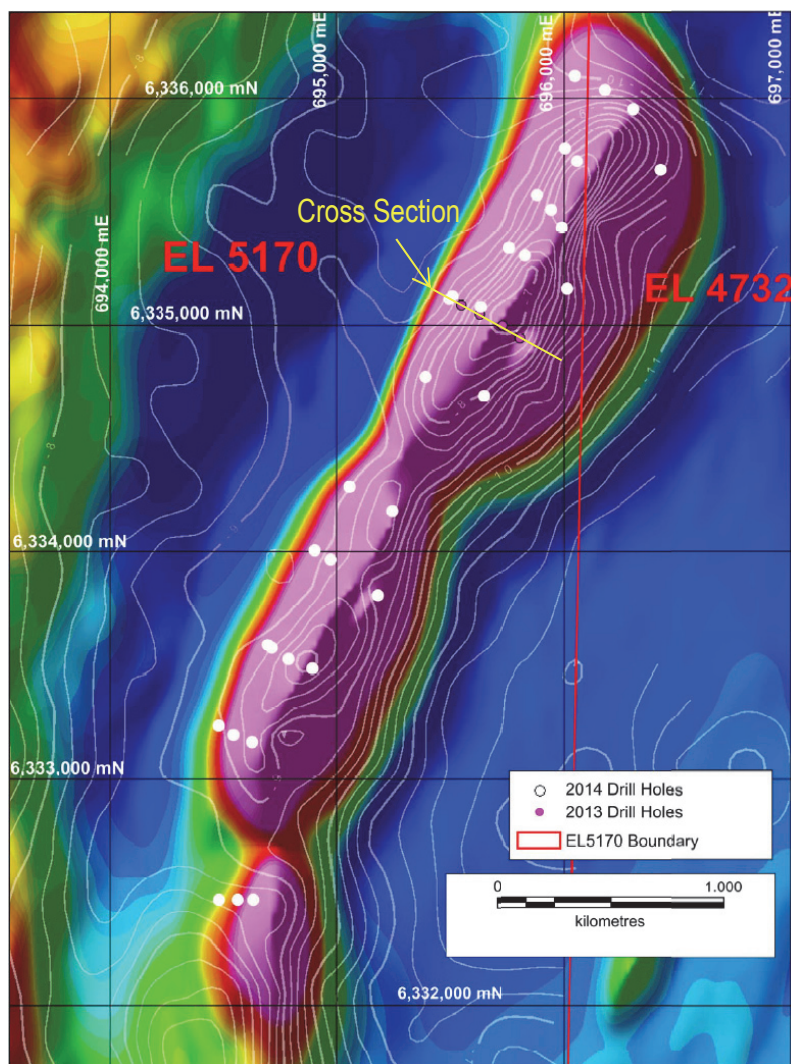


Figure: Plan of the Kimba Gap drill holes and location of cross section shown over a total magnetic intensity map, gravity contours and tenement boundaries.

A 487Mt Inferred Mineral Resource was established at the project by Centrex in 2015. For full details of the Inferred Mineral Resource see announcement 29th July 2014:

<http://www.asx.com.au/asxpdf/20140729/pdf/42r2y42ddx4sh1.pdf>

Centrex is not aware of any new information or data that materially affects the information included in the relevant market announcement and, in the case of the estimate of mineral resources, that all material assumptions and technical

parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed.

Centrex signed a dual tenancy agreement in July 2013 covering the 600m portion of the deposit on Arrium Mining's ("Arrium") tenement EL4732. The agreement gave Centrex the right to conduct an 18 month exploration program over the area that commenced in December 2013, during which time Centrex can elect to lodge a Mineral Claim in its own name over the area. Centrex made an initial payment of A\$200,000 to Arrium for the right and will pay another A\$300,000 on lodging a Mineral Claim. During the dual tenancy if Centrex discovers >1Mt of DSO (>50% Fe) of resources on EL4732, Arrium may elect to mine this portion of the deposit in its own right or alternatively allow Centrex to mine it for a 5% royalty. No DSO iron ore has been found during exploration to date. All non-DSO iron ore (<50% Fe) will be 100% owned by Centrex without royalties for this section of the deposit. The Kimba Gap project is located adjacent to Arrium's existing hematite and magnetite mining operations.

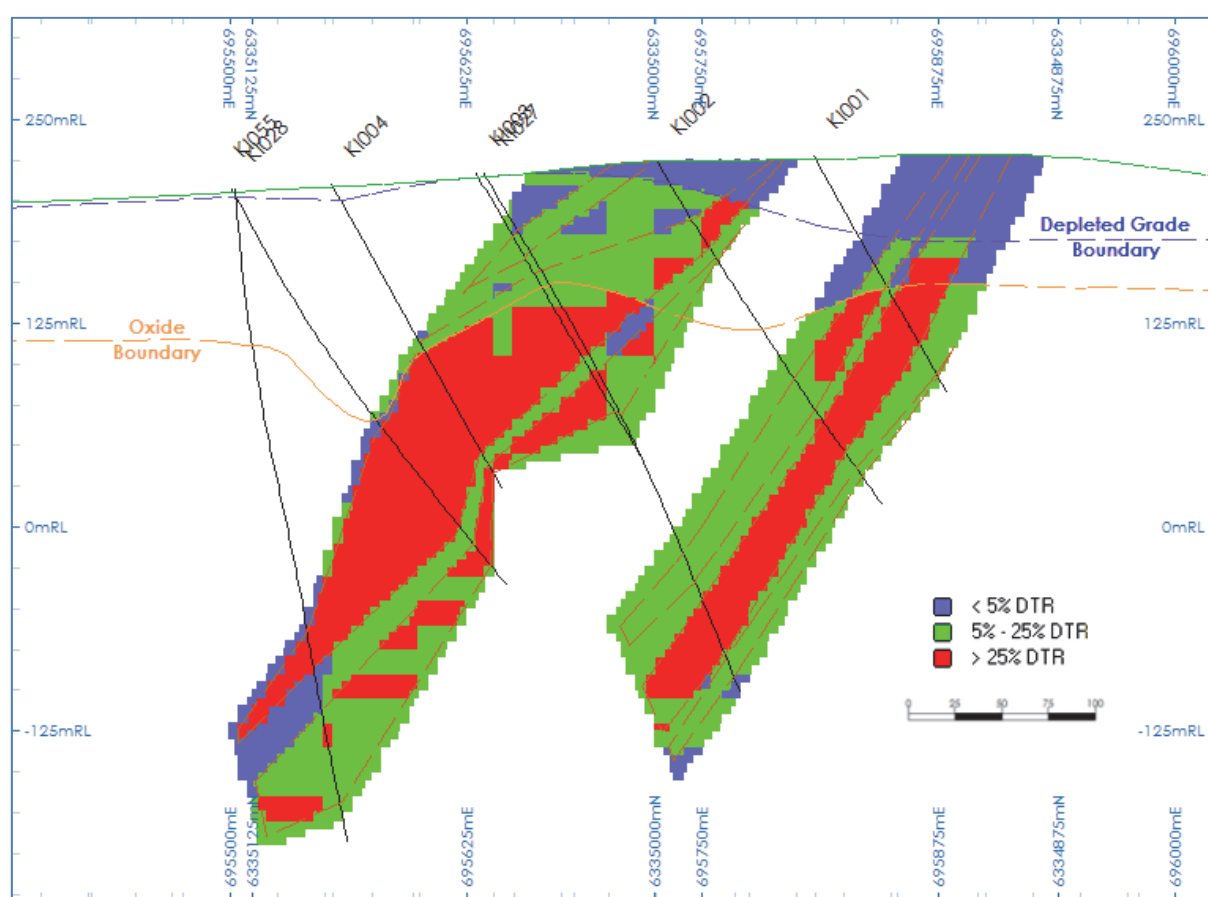


Figure: A representative cross section displaying drill hole traces and Davis tube recovery ("DTR") grade distribution.

For further information please contact:

Ben Hammond
Chief Executive Officer
Centrex Metals Limited
Ph (08) 8100 2200

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

Competent Persons Statement

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.