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ASX Announcement

14th October 2016

Port Spencer & Eyre Iron Joint Ventures

Centrex to Receive \$2.2 Million from Port Spencer and Eyre Iron Joint Ventures

Highlights

- ▶ WISCO and Centrex agree to wind-up the Port Spencer Joint Venture
- ▶ Centrex to receive \$1.28 million from the Port Spencer Joint Venture
- ▶ Eyre Iron Joint Venture also to return \$0.93 million in cash to Centrex
- ▶ South Australian iron ore portfolio on care and maintenance, with focus fully on development of the Oxley Potassium Project in Western Australia

Summary

Centrex Metals Limited ("Centrex") and Wugang Australian Resources Investment Pty Ltd ("WARI"), a subsidiary of Wuhan Iron & Steel (Group) Co. ("WISCO") have signed a Deed that includes a mutual agreement to wind-up their Port Spencer Joint Venture in light of current and forecast iron ore market conditions and resolves the legal disputes between the parties. The Deed will see Centrex receive proceeds of \$ 1.275 million in cash in relation to the Port Spencer Joint Venture. Both companies have also agreed to return a large proportion of funding held by their related magnetite joint venture company Eyre Iron Pty Ltd back to its shareholders. Centrex's share of this return is \$0.926 million. Funds are due to be transferred within 7 days.

Centrex is fully focused on development of its Oxley Potassium Project near the Port of Geraldton in Western Australia and is placing its South Australia iron ore portfolio on care and maintenance while poor market conditions persist. Centrex is due to exit its other magnetite joint venture with Baotou Iron & Steel (Group) Co. ("Baotou") at the end of October when a transitional arrangement comes to an end. Baotou has the option to also exit or acquire Centrex's interest in the joint venture for \$250,000.

For further information, please contact:

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