

QUARTERLY ACTIVITIES REPORT

Period Ending 31st March 2015

HIGHLIGHTS

Corporate

- A\$ 31.2 million cash reserves as at 31st March 2015 with no debt

Oxley Potash Project, WA (Centrex 100%)

- Centrex to acquire Oxley Potash Project in Western Australia for A\$ 2.5 million
- Rare high potassium grade potash feldspar dominant microsyenite
- Centrex to investigate processing routes for a vertically integrated operation producing high value potassium products
- Relatively thick, 32km long, outcropping, and shallow dipping microsyenite means potential for scale and favourable mining costs
- Ideally located close to existing infrastructure including roads, rail, gas, power, and 125km from Geraldton Port
- Processing options review and bench scale testwork to commence upon completion

Goulburn Polymetallic Project, NSW (Centrex 100%)

- New massive sulphide discovery northeast of Collector Skarn Deposit with copper, gold, zinc and silver mineralisation intersected over 5.9m including 2.9m at 1.34% Cu, 0.54g/t Au, 0.77% Zn and 9.0g/t Ag
- Mineralisation at Collector Skarn Deposit, Glen VHMS Prospect, and new polymetallic discovery provides encouraging potential for an extensive mineralised system
- Relationship of the new prospect with magnetic and chargeability anomalies to be tested by two further drill holes
- Further drilling at Collector Skarn Deposit has intersected massive sulphide mineralisation with assay results pending
- Additional air-core program completed testing nearby priority geophysical targets

Woolgarlo Gold Project, NSW (Centrex 100%)

- Seven IP survey lines completed with drill ready epithermal gold targets identified defined within favourable structures and host stratigraphy

- Inaugural reverse circulation drill program to commence in April

Wilgerup DSO Iron Ore Project, South Australia (Centrex 100%)

- Process design completed for reverse flotation circuit to reduce phosphorous and elevate iron levels

Port Spencer, South Australia (Centrex 100%)

- WISCO notifies Centrex that all conditions precedent for joint venture have been met
- Initial contribution into joint venture now due by WISCO to match Centrex previous expenditure subject to a confirmatory audit

Kimba Gap Magnetite Project, South Australia (Centrex 100%)

- Non-binding MOU signed for Baotou to pay for preliminary test work, with up to A\$ 250,000 to be counted as contributions for any future exploration joint venture
- Mineral Claim lodged over project

Eyre Iron Magnetite Joint Venture, South Australia (Centrex 40%)

- Land access agreement signed over major section of Bald Hill Deposit at Fusion
- Resource definition drilling has recommenced at Bald Hill for Fusion Prefeasibility Study
- Negotiations and determinations continuing under the South Australian Mining Act for remaining land access at Bald Hill

REPORT

1. CORPORATE

The Company continues to maintain a healthy balance sheet with A\$ 31.2 million in cash reserves as at 31st March 2015 with no debt outside of current trade payables.

2. NON-FERROUS PORTFOLIO

2.1. Oxley Potash Project, WA (Centrex 100%)

Centrex has entered into a purchase agreement with ASX listed Sheffield Resources Limited ("Sheffield") for 100% of the Oxley Potash Project ("Oxley") in Western Australia for A\$ 2.5 million subject to required government consents, tenement transfers, and Centrex entering into deeds of consent and assumption for relevant third party agreements.

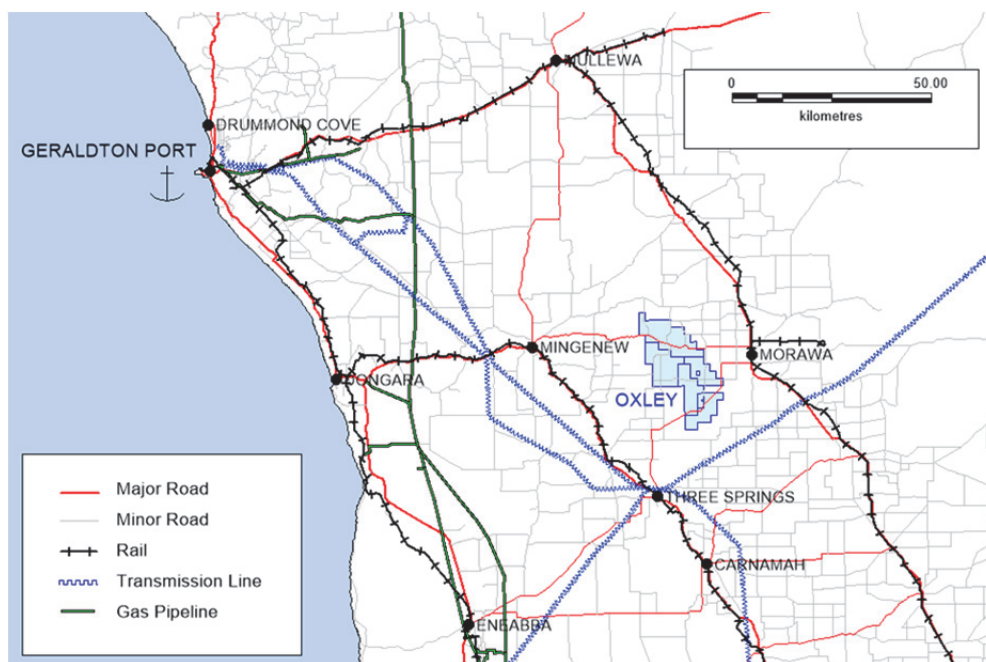


Figure: Oxley infrastructure location map.

Oxley comprises an unconventional hard-rock style of potash mineralisation, hosted in a series of ultrapotassic microsyenite lava flows, which contain up to 90% potash feldspar. The host rocks are exposed at surface and dip gently under cover in a series of open folds over a total strike length of approximately 32km.

Sheffield completed drilling in 2013 over an 8km section of the target ultrapotassic microsyenite unit completing 17 RC and 3 diamond drill holes. Using a 6% K₂O cut-off, the drilling results show down-hole combined interval thicknesses of up to 72m, and weighted average combined interval grades of up to 10.1% K₂O.

For full details of drilling results see announcement 8th March 2015:

<http://www.asx.com.au/asxpdf/20150309/pdf/42x4hkg86j6w1d.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.

Centrex intends to review both pyrometallurgical and hydrometallurgical routes to leach potassium from the feldspar in order to produce higher value potassium products such as granular sulphate of potash ("SOP", K₂SO₄), or nitrate of potash ("NOP", KNO₃).

A market review by Centrex showed that for SOP and MOP the majority of production is indirect using industrial processes with muriate of potash ("MOP", KCl) as a potassium raw material source. Much of the consumption and production of these second and third order products resides in Asia where production is not vertically integrated with potassium mining operations. These producers import MOP and are heavily impacted by its cost. A direct route to these second or third order products for a vertically integrated potassium mining play could provide a competitive advantage. The market review also highlighted a potential freight advantage for Oxley to the major Asian markets.

Oxley is located close to existing infrastructure and 125km from the Port of Geraldton. Port transport options include via 145km of existing sealed roads, or alternatively via either of two rail lines running 15km and 25km east and west of the project respectively. A major gas pipeline is located 70km west that could provide gas for ammonia production if required, as well as for power generation. A 330KV transmission line runs 40km southeast of the project, or a 132KV line 65km west.

2.2. Goulburn Polymetallic Project, NSW (Centrex 100%)

Centrex commenced a four hole diamond drilling program during the quarter at its Goulburn Polymetallic Project in NSW, located around 10km north of the historic Woodlawn Polymetallic Mine. The drill program is planned to test the down-dip and along strike extensions of the known Collector Skarn Deposit ("Collector").

Assays for the first hole of the program were received during the quarter with CD010 targeting coincident magnetic and chargeability anomalies around 500m northeast of the Collector. The hole intersected a newly discovered zone of massive sulphides underlain by mineralised black shale that returned:

- 5.9m at 0.98% Cu, 0.31g/t Au, 0.50% Zn, and 8.64g/t Ag from 105.9m

Including 2.9m at 1.34% Cu, 0.54g/t Au, 0.77% Zn and 9.0g/t Ag

For full results of the CD010 see announcement 27th February 2015:

<http://www.asx.com.au/asxpdf/20150227/pdf/42wy4j3mf43n6h.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.

The discovery of a new polymetallic prospect northeast of Collector was highly encouraging and along with the nearby historic Glen Prospect around 250m east of Collector, provides potential for an extensive mineralised system.

The diamond drilling program was completed in late March. CD009 which targeted mineralisation at Collector down dip from historic hole DDH C3, and along strike from DDH C2 intersected massive sulphide mineralisation around the expected depths and assay results are expected in April. Logging and results of the final two holes of the program were pending at the end of the quarter.

Centrex previously reported the historical drilling results at Collector with the discovery hole DDH C2 returning:

- 25.2m @ 4.1% Zn, 0.8% Cu, 0.1% Pb from 86m depth
including 6.3m @ 9.9% Zn, 0.7% Cu
- 25.2m @ 3.3% Zn, 0.2% Cu from 113m depth
including 3.8m @ 6.7% Zn, 0.3% Cu, 0.1% Pb

- 35.2m @ 2.3% Zn, 0.3% Cu from 141m depth
including 7.6m @ 4.6% Zn, 0.2% Cu, 0.1% Pb
- 20.4m @ 3.9% Zn, 0.4% Cu, 0.5% Pb

For further details of the historical drilling results see announcement 17th June 2014:

<http://www.asx.com.au/asxpdf/20140617/pdf/42q7znkpi7hkbv.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.

A small air-core drilling program was also completed in late March over nearby priority geophysical targets derived from air-borne magnetics and a ground based gradient IP survey completed previously by Centrex. Assay results of selected intervals are expected in April.

2.3. Woolgarlo Gold Project, NSW (Centrex 100%)

The Woolgarlo project is located in NSW approximately 50km NW of Canberra. The project lies within the East Lachlan Fold Belt and is targeting epithermal gold mineralisation.

Centrex has completed both air-borne magnetic and ground based single line dipole-dipole IP surveys to define resistive anomalies associated with demagnetised fault structures, indicative of silicification often associated with epithermal gold mineralisation.

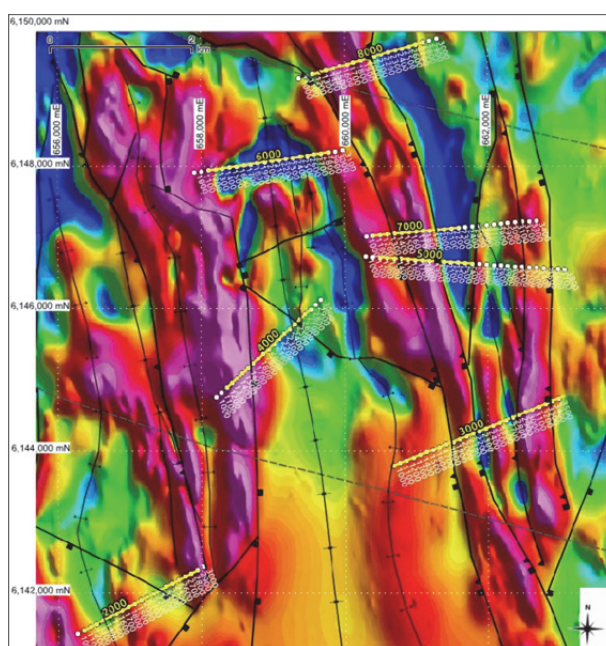


Figure: Map displaying the seven IP lines in yellow over magnetic image and interpreted structure.

An inaugural 4 hole RC drilling program is planned to commence in April to test a number of priority geophysically derived targets.

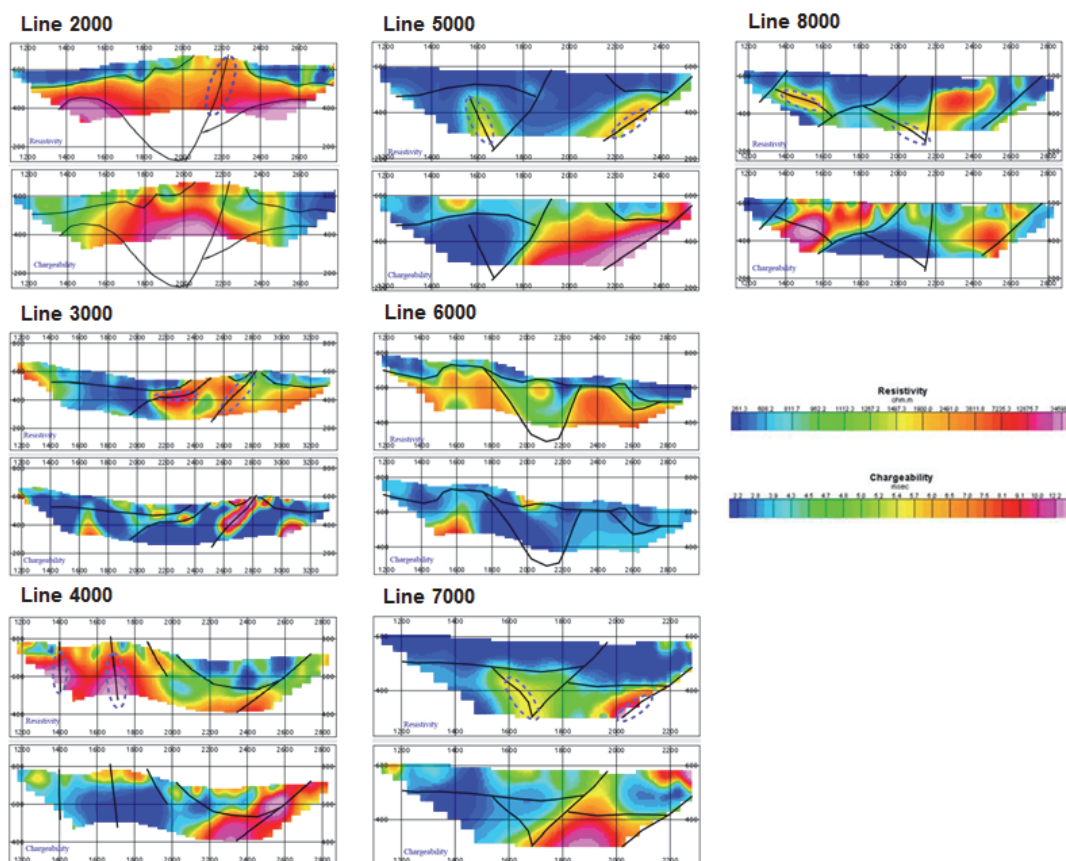


Figure: IP inversion model profiles (resistivity top, chargeability bottom) over Woolgarlo.

For further details of the magnetic survey and IP results see announcements on the 23rd April 2014, 26th September 2014 and 1st October 2014:

<http://www.asx.com.au/asxpdf/20140423/pdf/42p4f17qd3q98z.pdf>

<http://www.asx.com.au/asxpdf/20140926/pdf/42sgsvyzzh1pty.pdf>

<http://www.asx.com.au/asxpdf/20141001/pdf/42sltg6gq9p4p9.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.

2.4. Gundaroo Gold Project (Centrex 100%)

No activities were undertaken during the period.

Centrex is exploring for intrusion related gold system (“IRGS”) targets at Gundaroo. A previous air-borne magnetic survey and stream sediment program by Centrex on the central and southern portion of the project tenement identified nine anomalous gold targets. Three of the nine targets were tested with a small reverse circulation drilling program in

2014, drilling mainly underneath historic gold workings. Whilst the drilling intersected zones of alteration with elevated arsenic values below the old workings at the Cox and Kershaw Claim and Diamond Hill Mines targets, no significant gold mineralisation was identified from the drilling.

Centrex is evaluating the remaining gold targets and the under-explored northern portion of the tenement.

3. SOUTH AUSTRALIA IRON ORE PORTFOLIO

3.1. Wilgerup Hematite Iron Ore Project (Centrex 100%)

Conceptual process design studies were completed during the quarter for process plant at the Wilgerup Hematite Iron Ore project to reduce phosphorous and increase iron levels of the final product via a deslime and reverse flotation circuit. Test work by Centrex has shown an ability to reduce phosphorous levels by 80% and increase iron levels by 5%. The aim of the ongoing work is to enhance the product quality of the project to increase potential profit margins.

Table: Master composite deslimed reverse flotation results.

Grind Size (P80)	Flotation Time (mins)	Head Grade (%)				Product Grade (%)				Mass	Fe	P	Fe
		Fe	P	SiO ₂	Al ₂ O ₃	Fe	P	SiO ₂	Al ₂ O ₃	Recovery (%)	Recovery (%)	Reduction (%)	Upgrade (%)
32µm	16	62.8	0.45	2.7	1.4	65.9	0.09	2.1	0.6	73.6	77.4	80.5	5.2
42µm	16	62.6	0.46	2.8	1.4	65.9	0.10	2.0	0.6	78.1	81.7	78.0	4.6
51µm	20	62.5	0.47	2.9	1.4	65.3	0.10	2.2	0.7	77.2	80.9	77.5	4.8

*Deslimed -5µm fraction taken into account in mass recovery results (mass recovery of head sample).

For further details of the historical drilling results see announcement 23rd October 2014:

<http://www.asx.com.au/asxpdf/20141023/pdf/42t3h27msvxg6w.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.

Parallel mining, road haulage, infrastructure and port option studies have also been undertaken during the quarter. At the completion of current studies Centrex will review options for the development or divestment of the project.

3.2. Port Spencer Joint Venture (Centrex 100%)

Centrex was advised in March by Wugang Australian Resources Investment Pty Ltd ("WARI"), a subsidiary of Wuhan Iron & Steel (Group) Co. that all conditions precedent had been satisfied for the Port Spencer Joint Venture. Accordingly the Shareholders' Agreement, which forms the basis of the incorporated joint venture commenced.

WARI is now required to pay its initial contribution into the joint venture to match Centrex's previous expenditure, subject to Centrex confirming the expense amount, and WARI conducting a confirmatory audit of these amounts.

3.3. Kimba Gap Magnetite Project (Centrex 100%)

A visiting Baotou Iron & Steel (Group) Co. ("Baotou") technical delegation worked with Centrex during the quarter to complete the sampling for the 300kg bulk sample, formed from drill core available from Centrex's previous drilling programs over the Kimba Gap Magnetite Project ("Kimba Gap"). The sample forms the basis of a preliminary test work program being undertaken by Baotou at its own expense to assess potential investment in the project. The project is located just 50km north of its existing iron ore joint venture with Centrex at the Bungalow Magnetite Project ("Bungalow").

A subsequent non-binding memorandum of understanding ("MOU") was signed at the start of April with Baogang Group Investment (Australia) Pty Ltd, a subsidiary of the Baotou Iron & Steel (Group) Co. ("Baotou") that provides for up to A\$ 250,000 of the test work costs to be counted as deemed contributions towards payments required under any future exploration joint venture between the companies. Centrex will be provided copies of all test work results.

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.

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

The resource definition drilling program underpinning the Prefeasibility Study recommenced on the Fusion Magnetite Project ("Fusion") in January after being delayed for a significant period with land access constraints. The focus of the current drilling is at the Bald Hill Deposit ("Bald Hill") which is to form part of the overall Fusion project. The joint venture has signed land access agreements over the deposit to complete 18 diamond drill holes. 10 diamond drill holes were completed during the quarter with magnetite banded iron formations intersected in all holes consistent with previous interpretations.

Drilling at Bald Hill is to be funded out of the remaining A\$ 4.2 million held by the Joint Venture as at 31st of March from contributions made by Centrex and WISCO.



Figure: Diamond drill rig at Bald Hill deposit.

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

No activities were undertaken during the period.

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 being undertaken by Baotou at Kimba Gap is part of this analysis.

4. TENEMENTS

The Company and its wholly owned subsidiaries hold the following tenements and mining lease;

Northern Eyre Peninsula

Gilles Downs EL 4571
Bungalow/Minbrie EL 4884
Kimba Gap EL 5170
Ironstone Hut EL 5245
Whyalla ('Ironstone Hill') EL 5335
Stony Hill EL 4451
Cockabidnie EL 4883

New South Wales

Goulburn (NSW) EL 7388
Archer (NSW) EL 7503
Gundaroo (NSW) EL 8133
Woolgarlo (NSW) EL 8215
Goulburn Industrial Minerals (NSW) EL 8098

Southern Eyre Peninsula

Wanilla EL 4384
Wilgerup EL 4467
Greenpatch EL 4885
Dutton Bay EL 4605
Mount Hill EL 5065
Carrow EL 4998

Mining Lease

Wilgerup ML 6344

Attached is the Appendix 5B Statement of Cash flows for the period from 1st January 2015 to 31st March 2015.

For further information please contact:

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Chief Executive Officer
Centrex Metals Limited
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Gavin Bosch
Chief Financial Officer & Company Secretary
Centrex Metals Limited
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Appendix 5B

Mining exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10

Name of entity

CENTREX METALS LIMITED

ABN

97 096 298 752

Quarter ended ("current quarter")

31 MARCH 2015

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(1,971)	(3,137)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(377)	(2,349)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	206	957
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid) / received	(138)	(138)
1.7	Other (provide detail)	-	-
Net Operating Cash Flows		(2,280)	(4,667)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	13	13
1.9	Proceeds from sale of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	-	-
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	37
1.12	Other (provide detail if material)	-	-
Net investing cash flows		13	50
1.13	Total operating and investing cash flows (carried forward)	(2,267)	(4,617)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,267)	(4,617)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	-	-
	Net increase (decrease) in cash held	(2,267)	(4,617)
1.20	Cash at beginning of quarter/year to date	33,420	35,770
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of period	31,153	31,153

Payments to directors of the entity and associates of the directors, related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2
1.24	Aggregate amount of loans to the parties included in item 1.10

1.25 Explanation necessary for an understanding of the transactions

Transactions included in the value disclosed at item 1.23 include (\$A'000):	
Director's fees (including superannuation).	\$26
Asiasphere Pty Ltd (consultant director)	\$16
Patna Properties P/L (consultant director)	\$25
Lodge Limited (consultant director)	\$13

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

(\$A'000):

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,951
4.2 Development	-
4.3 Production	-
4.4 Administration	796
Total	3,747

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	1,446	1,310
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.41 Other (term deposits with maturity >90days)	28,010	30,150
5.42 Other (restricted cash – held by the joint venture management company)	1,697	1,960
Total: cash at end of quarter (item 1.22)	31,153	33,420

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed				
6.2 Interests in mining tenements acquired or increased				

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

		Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference +securities <i>(description)</i>				
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	+Ordinary securities	314,784,304	314,784,304		
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5	+Convertible debt securities <i>(description)</i>				
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options <i>(description and conversion factor)</i>	<p>❶ 2015 Employ Performance Rights vesting 01/07/15 (subject to performance hurdles)</p> <p>❷ 2015 Employ Retention Rights vesting 01/07/15 (subject to retention hurdles)</p>		<p>Nil</p> <p>Nil</p>	
	<i>Continued on following page</i>				

+ See chapter 19 for defined terms.

7.7	Options <i>Continued from previous page</i>	③ 2016 Employ Performance Rights vesting 01/07/16 (subject to retention hurdles) <u>Period end balance:</u> ① 1,592,948 ② 938,001 ③ 1,000,000		Nil	
7.8	Issued during quarter	① - ② - ③ -	① - ② - ③ -		
7.9	Exercised during quarter	① - ② - ③ -	① - ② - ③ -		
7.10	Expired during quarter	① - ② - ③ -	① - ② - ③ -		
7.11	Debentures <i>(totals only)</i>				
7.12	Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 5).
- 2 This statement does ~~/does not~~* (delete one) give a true and fair view of the matters disclosed.



Sign here: Date: 21 April 2015
(Company Secretary)

Print name: Mr Gavin Bosch

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.