



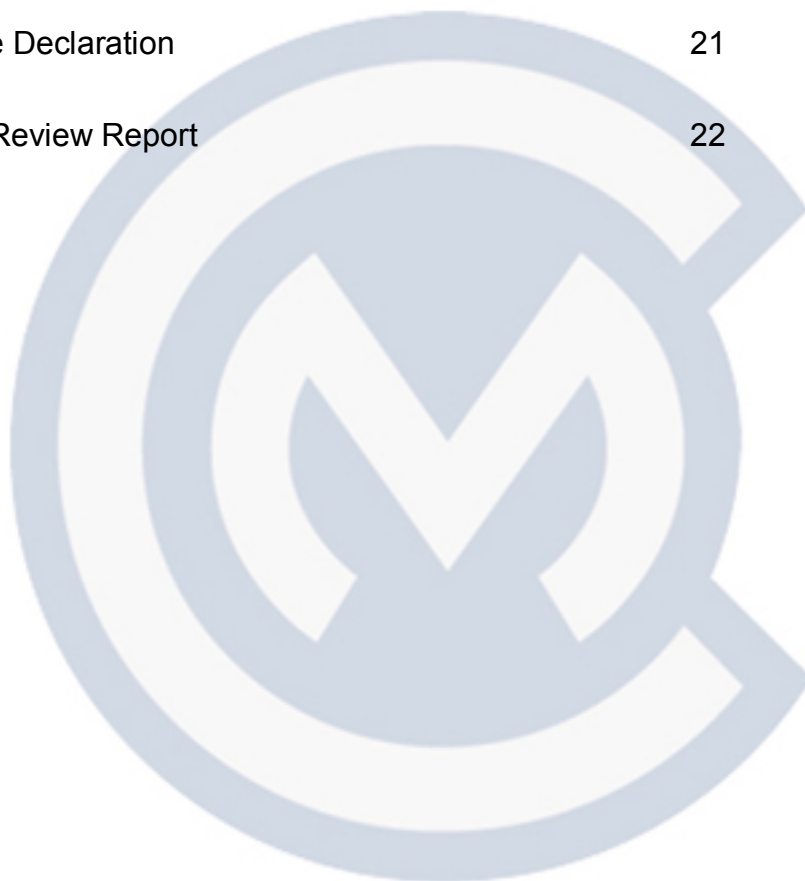
CENTREX METALS LIMITED

INTERIM REPORT

For the Six Months Ended 31st December 2014

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

Directors' Report

For the six months ending 31 December 2014

The directors present their report together with the consolidated interim financial report of the Centrex Metals Limited group ("the Group") for the six months ended 31 December 2014 and the 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 19/04/05	Chairman (from 15 January 2010) Independent Non-Executive Director
Mr Kiat Poh CDipAF, Dip MS, Dip C.E.	Appointed 21/05/08	Independent Non-Executive Director
Mr Graham Chrisp B Tech (CE)	Appointed 21/01/10	Non-Executive Director
Mr Jim Hazel B.Ec, SF Fin, FAICD	Appointed 12/07/10	Independent Non-Executive Director
Mr Bingqiang Lu BE (Mining)	Appointed 18/09/12	Non-Executive Director
Mr John den Dryver B.Eng (Mining), MSc, FAusIMM	Appointed 01/03/11 Resigned 18/11/14	Independent Non-Executive Director

2. Review of operations

FINANCIAL PERFORMANCE

The Group incurred a net loss after tax of \$756,658 (2013: net loss after tax of \$252,877) and holds combined cash and term deposits of \$33,420,245 (30 June 2014: combined cash and term deposits of \$35,770,303).

Outlined below are the operational activities undertaken by the Group which includes the joint arrangements in which the Group holds an interest at 31 December 2014.

Directors' Report

For the six months ending 31 December 2014

NSW METALS PORTFOLIO

Goulburn Zinc Project, NSW (Centrex 100%)

The zinc market outlook is promising based on a forecast demand-supply imbalance in the near-future. Given this, Centrex has decided to pursue the next phase of exploration on its Goulburn Zinc Project in its own right, and terminated the joint venture with the Shandong 5th Geo-Mineral Prospecting Institute ("Shandong") in December. Unfortunately Shandong has been to date unable to gain the necessary approvals for the proposed joint venture at Goulburn due to the required Chinese Government institution not presently being open for new applications.

The Goulburn Zinc Project is located in NSW around 60km northeast of Canberra and 10km north of the Woodlawn Polymetallic Mine. At Goulburn Centrex has an existing zinc deposit at the Collector Skarn ("Collector") that it can commence developing further, along with a number of other high-priority regional targets in the immediate area for exploration.

Centrex previously reported historical drilling results from Collector with the discovery DDH C2 hole showing:

- 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/42q7znkpj7hkbv.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.

During December Centrex completed a four line ground based dipole-dipole induced polarisation ("IP") survey over Collector and its immediate extensions. Two lines were completed over the known deposit, and another two were completed over an interpreted northern extension of the deposit based on ground magnetic data and bottom of hole RAB geochemistry reported from historical explorers.

Directors' Report

For the six months ending 31 December 2014

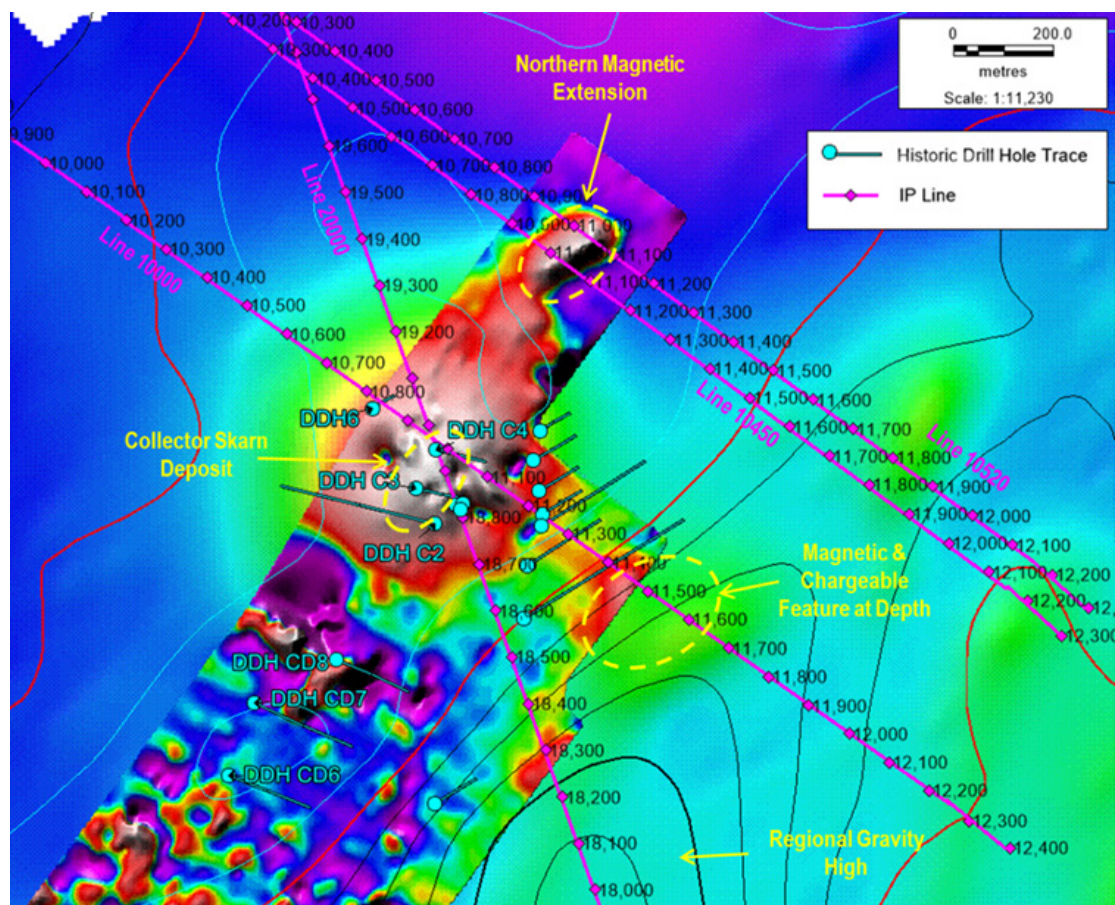


Figure: Ground and air-borne magnetic images, overlain with gravity contours of the Collector Deposit, historic and initial planned drill hole locations.

The survey highlighted a linear moderately west dipping chargeable feature at Collector broadly consistent with the interpretations of a limestone hosted iron-rich skarn intersected by historical explorers. Further chargeable features of a similar orientation were also highlighted to the west of the known deposit. The survey confirmed similar near surface anomalies beneath the northern magnetic extension of the deposit, and encouragingly these showed higher amplitudes.

The IP survey completed provided cross sectional chargeability profiles to guide the positioning of an initial four hole diamond drilling program. The drill program will test the down-dip, up-dip, and along strike extensions of the known deposit. A land access agreement has been signed for the program which will be the first agreed drilling of Collector in 20 years. NSW Government approvals for the program have been received and drilling commenced in January 2015. A small air-core drilling program will also be completed over nearby priority geophysical targets derived from air-borne magnetics, and a ground based gradient IP survey completed previously by Centrex.

Woolgarlo Gold Project, NSW (Centrex 100%)

The Woolgarlo project is located in NSW approximately 50km northwest of Canberra. The project lies within the East Lachlan Fold Belt and is targeting epithermal gold mineralisation at depth between two historical epithermal prospects approximately 15km apart within the same strata.

To follow up on the structural targets defined from a recent magnetic survey, 7 approximately 1.5 - 2km long lines of dipole-dipole IP, orientated perpendicular to and spaced broadly along potentially favourable structures for mineralisation were completed. The IP lines were seeking resistive anomalies associated with demagnetised fault structures, indicative of silicification often associated with epithermal gold mineralisation.

Directors' Report

For the six months ending 31 December 2014

Inversion modelling and interpretations of the 7 IP lines were completed with encouraging results and drill ready epithermal gold targets identified. For full details of the IP results and identified targets see announcement on 1st October 2014:

<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.

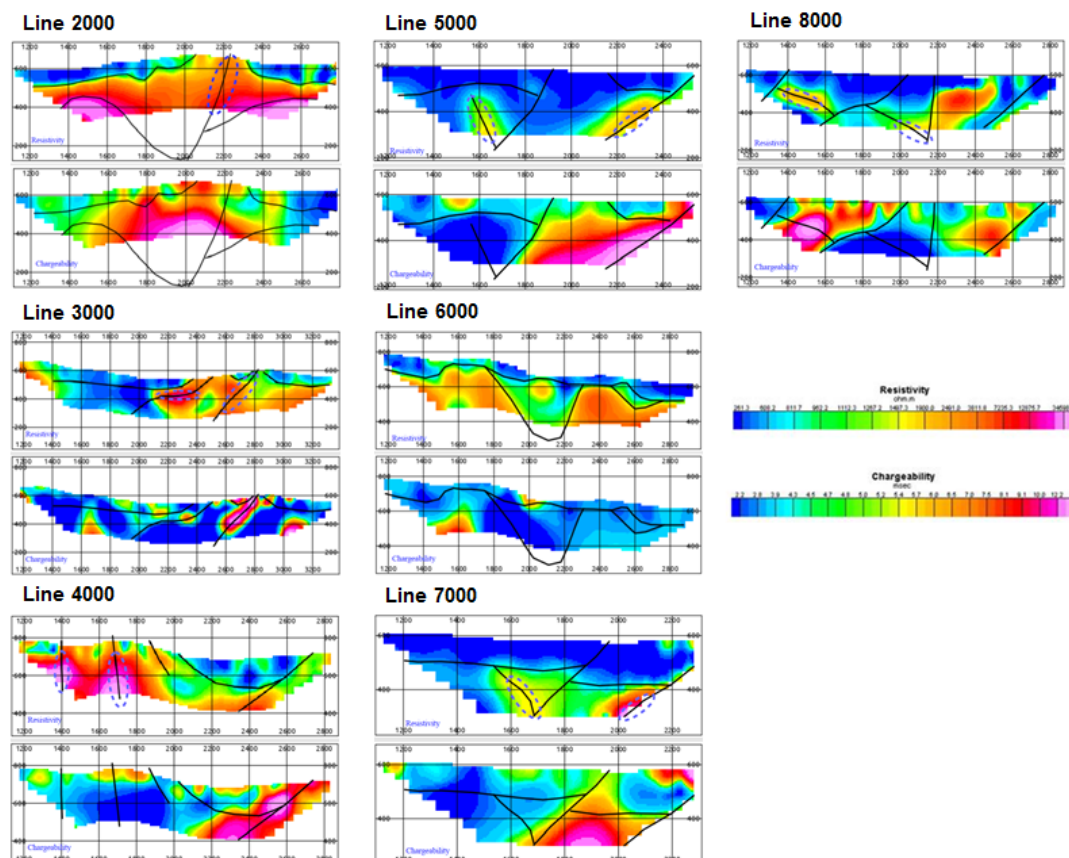


Figure: IP inversion model profiles (resistivity top, chargeability bottom) over Woolgarlo.

Centrex has formulated a small reverse circulation drilling program to test a number of priority targets due to commence in the first half of 2015.

Gundaroo Gold Project (Centrex 100%)

Centrex is exploring for intrusion related gold system ("IRGS") targets at its Gundaroo project, around 40km north of Canberra. 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 which started in late July 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 as well as the under-explored northern portion of the tenement.

Directors' Report

For the six months ending 31 December 2014

SOUTH AUSTRALIA IRON ORE PORTFOLIO

Wilgerup DSO Iron Ore Project (Centrex 100%)

Further beneficiation trials were completed during the period to further investigate reduction of phosphorous levels from the Wilgerup hematite ore via desliming and reverse flotation. A master composite was trialed at three varying grind sizes showing an ability to reduce the phosphorous level by 78-80% at all grinds. Iron grades also showed a significant increase.

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).

In addition to the flotation results a >100kg bulk sample of HQ3 diamond core was submitted for comminution test work to feed into the process design. As expected the results showed the ore to be very weak given its heavily oxidised and porous nature, a positive in regards to reduced energy required to crush and grind the product.

For further details of the reverse flotation and comminution results see announcement 23rd October 2014:

<http://www.asx.com.au/asxpdf/20141023/pdf/42t3h27msvvg6w.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.

Metso Minerals were appointed to conceptually develop a process flow sheet and resulting process plant design for Wilgerup. Several early export options are being considered for the project including Port Spencer.

Port Spencer Development (Centrex 100%)

Work continued during the period to investigate further capital cost saving initiatives both onshore and offshore at Port Spencer that may allow the development to progress with mining of Wilgerup alone, still allowing eventual ramp up to accommodate later magnetite concentrate exports. The current Prefeasibility Study using new transshipment technology was completed for the port in November 2013 with a start-up capital cost of A\$ 142M.

In December 2014, Centrex received a 2 year extension to its Stage 1 Provisional Development Approval from the South Australian Government. The revised date for the commencement of works is now 20th December 2016. The extension retains the reserve matters included within the original provisional development approval, primarily related to construction works and road haulage routes.

In November 2014, Centrex set a revised end date for completion of the Port Spencer Joint Arrangement with Wugang Australian Resources Investment Pty Ltd ("WARI") a subsidiary of Wuhan Iron & Steel (Group) Co. ("WISCO") at 15th February 2015. Centrex subsequently held meetings with WISCO in China during December 2014 where WISCO reiterated its commitment to completing the joint venture, however they requested a further extension to resolve the outstanding matters. Accordingly Centrex extended the end date for the satisfaction of the remaining conditions precedent to 31st March 2015.

Directors' Report

For the six months ending 31 December 2014

Kimba Gap Magnetite Project (Centrex 100%)

Centrex commenced the process of lodging a Mineral Claim during the period over the recently defined Mineral Resource with the South Australian Government. Successful grant of a Mineral Claim will secure the rights to the portion of the deposit held on Arrium Mining's exploration license. Arrium Mining has provided consent to the lodgement of the Mineral Claim over the area with Centrex to pay a second stage payment of A\$ 300,000 on grant of the Mineral Claim for the iron ore rights.

Marketing activities during the period for the project included a presentation by Centrex to the 3rd High-End Iron Ore Forum in Beijing during December.

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

The joint venture successfully completed a land access agreement to the major portion of the Bald Hill deposit that forms part of the current Prefeasibility Study for the Fusion Magnetite Project. With this access agreement in place drilling recommenced at Fusion in January 2015.

A further land access agreement was completed at Bald Hill in January. Determination is currently in progress for access to a final area at Bald Hill under the South Australian Mining Act.

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

Centrex representatives visited Baotou Iron & Steel (Group) Co. ("Baotou") in China again in December 2014 to discuss the next stage of joint venture development and possible synergies with the Kimba Gap magnetite project located just 50km north of the Bungalow Joint Venture.

Baotou has indicated they will send a delegation to the Eyre Peninsula to review the projects in the first half of 2015 and collect metallurgical samples of Kimba Gap for assessment in China.

SUBSEQUENT EVENTS

The following material event occurred subsequent to the period end:

- On 8 March 2015 the Group entered into an agreement with Sheffield Resources Limited to acquire 100% of 6 exploration licences that make up the Oxley Potash Project in Western Australia. Total consideration for the acquisition will amount to \$2.5 million. The agreement is subject to: government consents; tenement transfers; and, the signing of relevant third party agreements with landowners. The Group will pay a \$1.0 million deposit within ten days of signing the agreement that is refundable if conditions precedent are not fulfilled by 31 May 2015.

Directors' Report

For the six months ending 31 December 2014

3. Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 21 and forms part of the Directors' Report for the six months ended 31 December 2014.

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

A handwritten signature in brown ink, appearing to read 'DKlingberg', followed by a period.

Mr David Klingberg, AO

Dated at Adelaide this 13th day of March 2015.



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

Consolidated Interim Statement of Profit or Loss and Other Comprehensive Income

For the six months ending 31 December 2014

	Note	Six Months Ending	
		31 Dec 2014	31 Dec 2013
		\$	\$
Other income	7	34,008	21,293
Office and administration expenses		(200,976)	(288,266)
Consultants and management expenses		(115,580)	(130,611)
Directors' fees		(179,655)	(211,844)
Employee benefit expenses		(601,579)	(638,559)
Depreciation expense		(47,489)	(95,629)
Research and development expenses		-	(104,809)
Exploration expenditure written off		-	(38,266)
Other expenses		(585,641)	(328,031)
Results from operating activities		(1,696,912)	(1,814,722)
Finance income		618,330	1,503,070
Net finance income		618,330	1,503,070
Loss before income tax		(1,078,582)	(311,652)
Income tax benefit	8	321,924	58,775
Loss for the period		(756,658)	(252,877)
Other comprehensive income		-	-
Total Comprehensive Loss for the Period		(756,658)	(252,877)
Loss attributable to:			
Owners of the company		(756,658)	(252,877)
Loss for the period		(756,658)	(252,877)
Earnings per share for profit attributable to the ordinary equity holders of the company:		Cents per share	Cents per share
Basic earnings per share	9	(0.2404)	(0.0806)
Diluted earnings per share	9	(0.2396)	(0.0805)

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

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

Consolidated Interim Statement of Changes in Equity

For the six months ending 31 December 2014

	Note	Contributed equity \$	Share Options reserve \$	Profit reserve \$	Retained earnings \$	Total \$
<u>Current Period</u>						
Balance at 1 July 2014		41,330,328	2,294,264	1,004,564	9,359,334	53,988,490
Loss for the period		-	-	-	(756,658)	(756,658)
Other comprehensive income		-	-	-	-	-
Total Comprehensive Loss for the Period		-	-	-	(756,658)	(756,658)
Contributions from/to equity owners						
Share-based payment transactions		-	(39)	-	-	(39)
Balance at 31 December 2014		41,330,328	2,294,225	1,004,564	8,602,676	53,231,793
<u>Prior Period</u>						
Balance at 1 July 2013		41,330,328	2,039,305	1,004,564	25,797,101	70,171,298
Loss for the period		-	-	-	(252,877)	(252,877)
Other comprehensive income		-	-	-	-	-
Total Comprehensive Loss for the Period		-	-	-	(252,877)	(252,877)
Contributions from/to equity owners						
Share-based payment transactions		-	113,021	-	-	113,021
Balance at 31 December 2013		41,330,328	2,152,326	1,004,564	25,544,224	70,031,442

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

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

Consolidated Interim Statement of Financial Position

As at 31 December 2014

	Note	As at 31 Dec 2014	30 Jun 2014
		\$	\$
Assets			
Cash and cash equivalents		3,269,772	3,170,196
Term deposits		30,150,473	32,600,107
Other receivables	11	383,681	427,538
Total Current Assets		33,803,926	36,197,841
Exploration and evaluation expenditure	10	19,081,584	17,990,774
Land and buildings		5,578,413	5,596,947
Plant and equipment		66,209	94,883
Total Non-Current Assets		24,726,206	23,682,604
Total assets		58,530,132	59,880,445
Liabilities			
Trade and other payables		324,057	664,151
Employee benefits		148,683	89,142
Current income tax liability		137,883	71,909
Total Current Liabilities		610,623	825,202
Deferred income tax liabilities	8	4,464,230	4,852,128
Employee benefits		223,486	214,625
Total Non-Current Liabilities		4,687,716	5,066,753
Total Liabilities		5,298,339	5,891,955
Net assets		53,231,793	53,988,490
Equity			
Contributed equity		41,330,328	41,330,328
Share options reserve		2,294,225	2,294,264
Profit reserve		1,004,564	1,004,564
Retained earnings		8,602,676	9,359,334
Total equity		53,231,793	53,988,490

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

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

Consolidated Interim Statement of Cash Flows

For the six months ending 31 December 2014

	Note	Consolidated 31 Dec 2014 \$	31 Dec 2013 \$
Cash flows from operating activities			
Lease income received		47,848	27,095
Payments to suppliers and employees		(1,972,056)	(1,703,681)
Income taxes (paid) / refunded		-	258,326
Net cash from operating activities		(1,924,208)	(1,418,260)
Cash flows from investing activities			
Expenditure on mining tenements		(1,162,957)	(541,794)
Expenditure on behalf of joint ventures		(2,922)	(254,027)
Receipts from joint venture partners		36,964	268,084
Stamp duty refund received		-	5,940,000
Interest received		703,346	818,079
Acquisition of plant and equipment		(281)	(2,537)
Proceeds on disposal of plant and equipment		-	200
Net cash from investing activities		(425,850)	6,228,005
Net cash from financing activities		-	-
Net increase / (decrease) in cash before term deposits		(2,350,058)	4,809,745
Cash transferred (to) / from term deposits		2,449,634	(6,527,842)
Net increase / (decrease) in cash		99,576	(1,718,097)
Cash at the beginning of the year		3,170,196	10,005,832
Cash at the end of the half year		3,269,772	8,287,735

The 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 31 December 2014

1. Reporting Entity

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 interim financial report of the Company as at and for the six months ended 31 December 2014 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 30 June 2014 is available at:

<http://centrexmetals.com.au/wp-content/uploads/2014/10/2014-Annual-Report-for-web.pdf>

2. Statement of compliance

The consolidated interim financial report 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 30 June 2014.

This consolidated interim financial report was approved by the Board of Directors on 13 March 2015.

3. 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 30 June 2014.

4. 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 30 June 2014.

5. 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 10 of the Interim Financial Report relating to *Exploration and Evaluation Expenditure* is the exploration expenditure incurred on all of the Group's tenements.

Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

6. Principles of Consolidation for Joint Ventures

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.

7. Other income

Other income consisted of the following:

	Note	Six Months Ending	
		31 Dec 14	31 Dec 13
		\$	\$
Lease income		34,008	21,093
Profit on sale of property, plant and equipment		-	200
		<u>34,008</u>	<u>21,293</u>



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

Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

8. Income tax expense and deferred tax assets and liabilities

The consolidated entity's effective tax rate in respect of continuing operations for the six months ended 31 December 2014 was 30% (for the six months ended 31 December 2013: (19%)).

Details of the current and deferred income tax expense is shown below:

	6 Months to 31 Dec 14	6 Months to 31 Dec 13
	\$	\$
Current income tax expense		
Current period	65,974	843,908
	65,974	843,908
Deferred income tax benefit		
Origination and reversal of temporary differences	(387,898)	(902,683)
	(387,898)	(902,683)
Total income tax benefit	(321,924)	(58,775)
	6 Months to 31 Dec 14	12 Months to 30 Jun 14
	\$	\$
Deferred tax (assets) / liabilities		
Tax (assets)		
Property, plant and equipment	(103,407)	(101,589)
Provisions and accrued expenses	(340,555)	(529,255)
Tax liabilities		
Interest receivable	46,394	78,540
Exploration and evaluation assets	5,724,475	5,404,432
Net tax (assets) / liabilities	5,326,907	4,852,128
Tax loss carry-forwards	(862,677)	-
Deferred tax (asset) / liability	4,464,230	4,852,128

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

Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

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:

		6 Months to 31 Dec 14	6 Months to 31 Dec 13
		\$	\$
Earnings used in calculation of basic EPS (loss after tax)		<u>(756,658)</u>	<u>(252,877)</u>
Weighted average number of ordinary shares for the purpose of basic earnings per share	(i)	314,784,304	313,857,789
Weighted average number of ordinary shares for the purpose of diluted earnings per share	(ii)	315,815,674	314,315,984
Basic earnings per share (cents)		(0.2404)	(0.0806)
Diluted earnings per share (cents)		(0.2396)	(0.0805)

- (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 weighted average number of ordinary shares for the purpose of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share plus an additional 1,031,370 'in the money' options or rights on issue at 31 December 2014 (2013: plus an additional 458,195 'in the money' options or rights).



CENTREX METALS LIMITED
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Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

10. Exploration and Evaluation Expenditure

During the six months ended 31 December 2014, the Group incurred expenditure with a cost of \$1,090,810 (six months ended 31 December 2013: \$513,149) on the following exploration tenements:

		Cumulative Expenditure to 30 Jun 14	Expenditure 6 months to 31 Dec 14	Carrying cost of tenements written off 31 Dec 14	Cumulative Expenditure to 31 Dec 14
Note		\$	\$	\$	\$
<i>Held by Centrex Metals Limited</i>					
	Greenpatch EL 4885	W 113,380	3,375	-	116,755
	Cockabidnie EL 4883	65,266	4,225	-	69,491
	Bungalow EL 4884	B 692,636	-	-	692,636
	Wilgerup EL 4467	12,069,139	153,444	-	12,222,583
	Wanilla EL 5559	W 47,881	5,396	-	53,277
	Dutton Bay EL 4605	W 44,351	3,021	-	47,372
	Gilles Downs EL 4571	143,512	3,804	-	147,316
	Cockabidnie North EL 4539	90,859	2,408	-	93,267
	Goulburn NSW EL 7388	678,708	75,644	-	754,352
	Archer NSW EL 7503	183,446	1,088	-	184,534
		14,129,178	252,405	-	14,381,583
<i>Held by South Australian Iron Ore Group P/L</i>					
	Mount Hill EL 5065	W 171,039	207,335	-	378,374
	Carrow EL 4998	W 205,856	159,356	-	365,212
	Kimba Gap EL 5170	2,484,328	161,224	-	2,645,552
	Ironstone Hill EL 5335	150,187	3,118	-	153,305
	Ironstone Hut EL 5245	139,202	3,020	-	142,222
	Stony Hill EL 4451	446,824	3,121	-	449,945
		3,597,436	537,174	-	4,134,610
<i>Held by Lachlan Metals Pty Ltd</i>					
	Gundaroo EL 8133	195,730	183,113	-	378,843
	Woolgarlo EL 8215	68,430	118,118	-	186,548
		264,160	301,231	-	565,391
	Total	17,990,774	1,090,810	-	19,081,584

(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 a combined total of \$24 million into the joint venture bank account since the joint venture inception.

(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.

Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

10. Exploration and Evaluation Expenditure (continued)

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.

11. Other receivables

	As at	
	31 Dec 14	30 Jun 14
	\$	\$
OTHER RECEIVABLES		
Interest due on term deposits	154,646	239,663
Prepayments	219,294	116,782
GST Receivable	6,819	37,052
Eyre Iron Joint Venture (i)	-	33,790
Bungalow Joint Venture (ii)	1,508	251
Port Spencer Joint Venture	1,414	-
	383,681	427,538

- (i) The Group 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 Group 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.

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Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

12. Key management personnel 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

Entity	Note	Six Months Ending	
		31 Dec 14	31 Dec 13
		\$	\$
Lodge Ltd	(i)	18,068	30,044
Energy Exploration Ltd	(i)	9,034	-
Asiasphere Pty Ltd	(ii)	32,029	35,506
Wugang Australian Resources Investment Pty Ltd	(iii)	-	30,044
Patna Properties Pty Ltd	(iv)	49,275	-

- (i) Lodge Ltd and Energy Exploration Ltd are firms associated with Mr Graham Chrisp. Mr Chrisp undertakes his directorship to the Company as a consultant.
- (ii) Asiasphere Pty Ltd is a firm associated with Mr Kiat Poh. Mr Poh undertakes his directorship to the Company as a consultant.
- (iii) Wugang Australian Resources Investment Pty Ltd is a firm associated with Mr Bingqiang Lu. Mr Lu undertook his directorship to the Company as a consultant up until 30 June 2014, after which time he performed his service as a director of the Company directly for the Company.
- (iv) Patna Properties Pty Ltd is a firm associated with Mr David Klingberg. Mr Klingberg has undertaken his directorship of the Company as a consultant from 1 May 2014.

13. Related party transactions

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:

	Note	Six Months Ending	
		31 Dec 14	31 Dec 13
		\$	\$
Expenditure Incurred on behalf of the entity			
Eyre Peninsula Joint Venture	W	-	186,544
Bungalow Joint Venture	B	1,414	65,234
Port Spencer Joint Venture	S	1,508	2,249
		<u>2,922</u>	<u>254,027</u>
Assets and liabilities arising from the above transactions			
Other receivables			
Current debtors		2,922	26,177

- (B) 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.
- (S) The expenditure incurred by the Group 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.
- (W) 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 venture entities.

Condensed Notes to the Consolidated Interim Financial Report

For the six months ending 31 December 2014

14. Contingent assets

There are no undisclosed contingent assets.

15. Contingent liabilities and commitments

One Steel Manufacturing Pty Ltd Dual Tenancy Agreement

In June 2013 the Company entered into a Dual Tenancy Agreement with One Steel Manufacturing Pty Ltd ("Arrium") to explore a magnetic trend on exploration licence 4732 of which Arrium is the registered holder. The Dual Tenancy Agreement allows the Company 18 months (which expires in June 2015) to explore and lodge a Mineral Claim over the relevant area. Should a Mineral Claim be awarded then the Company will be required to remit \$300,000 to Arrium as payment for securing tenure to the relevant portion of exploration licence 4732.

Having successfully explored and determined a mineral resource on the area, the Company is now in the process of seeking to have a Mineral Claim awarded to a wholly owned subsidiary within the Group. The relevant submission is now with the Department of State Development.

Minimum inferred resource milestone

The Company has an obligation to cede additional Inferred Resources into the Eyre Iron Joint Venture if the combined JORC Inferred Resources in the Joint Venture have not reached 1.0B at July 2016 in order to make up the shortfall, provided that all reasonable efforts to explore for magnetite potential within the tenement licences have been made.

Department of State Development (Mineral Resources Division) 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 for the 12 month period ending January 2015 for Northern and Southern Eyre Peninsula are \$1,930,000 (2013: \$3,020,000 for 19 months) and were achieved.

Additional tenements held by the group require annual exploration expenditures of \$329,250 (2013: \$329,250).

Other commitments

At 31 December 2014 the Group had other commitments of \$78,720 relating to the Wilgerup flotation plant design (2013: \$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 will be received by the joint venture from Baotou), 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 \$nil as at 31 December 2014 (2013: \$22,402 relating to pre-feasibility studies).

16. Subsequent events

The following material event occurred subsequent to the period end:

- On 8 March 2015 the Group entered into an agreement with Sheffield Resources Limited to acquire 100% of 6 exploration licences that make up the Oxley Potash Project in Western Australia. Total consideration for the acquisition will amount to \$2.5 million. The agreement is subject to: government consents; tenement transfers; and, the signing of relevant third party agreements with landowners. The Group will pay a \$1.0 million deposit within ten days of signing the agreement that is refundable if conditions precedent are not fulfilled by 31 May 2015.

Directors' Declaration

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

- 1 the interim financial statements and notes set out on pages 8 to 19, 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 31 December 2014 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 Directors:



Mr David Klingberg, AO
Chairman

Dated at Adelaide this 13th day of March 2015.





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 for the interim period ended 31 December 2014 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

Scott Fleming
Partner

Adelaide

13 March 2015



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

We have reviewed the accompanying interim financial report of Centrex Metals Limited (the Company), which comprises the consolidated interim statement of financial position as at 31 December 2014, consolidated interim statement of profit or loss and other comprehensive income, consolidated interim statement of changes in equity and consolidated interim 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 of the Group comprising the Company and the entities it controlled at the half-year end or from time to time during the interim period.

Directors' responsibility for the interim financial report

The directors of the Company are responsible for the preparation of the 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 interim financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with the 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 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 2014 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.

Independence

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


Conclusion

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

- (a) giving a true and fair view of the Group's financial position as at 31 December 2014 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



KPMG



Scott Fleming
Partner

Adelaide

13 March 2015