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ASX Announcement

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Ardmore Phosphate Rock Project

Purchase of Ardmore Phosphate Rock Project Complete

Highlights

- ▶ Purchase of Ardmore Phosphate Rock Project Complete
- ▶ Mining Lease to be transferred to Centrex
- ▶ Maiden Mineral Resource estimate imminent
- ▶ Further resource definition drilling planned to commence next month
- ▶ Environmental and cultural heritage surveys completed
- ▶ Logistics study by Qube Bulk nearing completion

Project Update

Centrex Metals Limited ("Centrex") has reached completion of the transaction to acquire the Ardmore Phosphate Rock Project ("Ardmore") in Northwest Queensland from Southern Cross Fertilisers Pty Ltd ("SCF"). Ardmore is one of the few remaining undeveloped high-grade phosphate rock deposits in the world. Centrex has released the A\$ 5 million purchase price from escrow to SCF, and SCF have provided executed Mining Lease transfer forms to Centrex's subsidiary Centrex Phosphate Pty Ltd, which will be lodged immediately. SCF will retain an interest in the project via a right of first refusal of up to 20% of production (at market prices) as well as a 3% royalty. Centrex has A\$ 20 million in funding remaining after payment of the purchase price.

With the transfer of the Mining Lease and the existing Environmental Authority over the Mining Lease, subject to regulatory requirements, Centrex intends to commence drilling as part of its feasibility studies which are now underway for the project. Centrex plans to complete the feasibility study for the project in mid-2018. While Centrex considers the project already advanced enough to proceed directly to a feasibility study, a scoping study will be completed in parallel to provide interim cost estimates to the market in 2017, assuming the required release guidelines can be met given the resource status at the time. Centrex's intention is to achieve first shipments from the project in 2019.

All submission conditions for the renewal of the Mining Lease have been met and a renewal application has been lodged. The renewal will be granted in Centrex's name subject to Ministerial approval.

A maiden Mineral Resource estimate for Ardmore utilising the historical >300 drill holes completed in the 1970s is imminent. This estimate will present an interim Mineral Resource for the scoping level studies covering those areas previously drilled at close spacing. Subject to regulatory requirements, Centrex will be undertaking further infill drilling over the coming months to provide an estimate over the entire deposit, sufficient to underpin the feasibility study. PQ diamond drilling is also planned to be completed as soon as possible to provide bulk sample for metallurgical testwork.

Northern Resource Consultants ("NRC") have completed an early dry season flora and fauna survey across the Ardmore Mining Lease and cultural heritage surveys have also now been completed. Survey reports are due to be returned next month. The surveys form part of the environmental baseline studies commenced for the approval of a full-scale phosphate rock mining and export operation by Centrex.

Qube Bulk Pty Ltd ("Qube Bulk") will finish a Feasibility Study for mine to ship logistics next month with both bulk and containerised haulage options being considered. Phosphate rock from Ardmore is planned to be trucked 90km by existing roads to the Mount Isa-Townsville rail line where it will be hauled to the Port of Townsville for export.

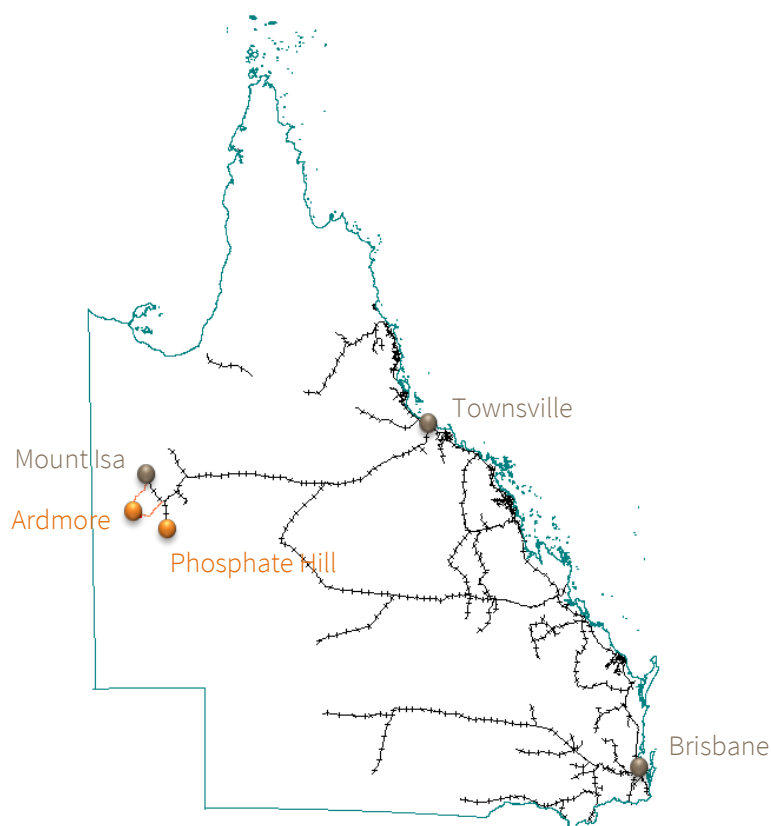


FIGURE: Ardmore location map.

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