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ASX Announcement

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Ardmore Phosphate Rock Project

Initial Testwork Complete

Highlights

- ▶ Initial testwork completed on Ardmore trench samples with very promising results
- ▶ Potential ability to produce a premium grade 35% P₂O₅ phosphate rock concentrate
- ▶ Standard and simple crushing, attritioning and desliming process flow proposed
- ▶ Diamond drilling program will start in August to provide bulk samples for feasibility level testwork
- ▶ Maiden 12 million tonne JORC Inferred Resource at 28.7% P₂O₅ (using 19% P₂O₅ grade cut-off)
- ▶ Major (approximately 300 hole) exploration and resource definition drilling program to commence in August
- ▶ Ground penetrating radar survey to be undertaken at end of July to map the deposit below surface
- ▶ Lidar aerial survey of project area planned for end of July to provide imagery and topographic data for engineering design

Summary

Centrex Metals Limited ("Centrex") has completed initial beneficiation testwork on trench samples at its Ardmore Phosphate Rock Project in Northwest Queensland. Results to date indicate that there is potential to produce a premium grade 35% P₂O₅ concentrate with high P₂O₅ recoveries.

After selective mining to minimise hangingwall and footwall dilution, a relatively standard crushing, attritioning, and desliming process flow is proposed. Customer feedback received by Centrex indicates that the phosphate rock product will need to be crushed and deslimed (very fine material removed) to meet their fertiliser process plant feed specifications. While crushing and desliming alone would produce a saleable product from Ardmore given its high in-situ grade, the minor additional attritioning step can produce a premium phosphate grade product resulting in higher revenue per tonne of exports. The current testwork shows the ore is soft and friable

and is not abrasive. A PQ diamond drilling program will commence in August to provide a bulk composite sample for feasibility level metallurgical testwork, to confirm the proposed process flow sheet. The feasibility level testwork will also produce marketing samples as requested from numerous potential customers.

Initial Testwork

Samples for the initial testwork were taken from the face of a series of trenches completed in the 1970s plus a single sample from outcrop. From mineralogical and geological observations, two major ore types were identified within the phosphorite unit; a friable sandy ore type interpreted to represent approximately 90% of the deposit based on wireframes constructed from historical drill hole logging data, and a minor indurated (cemented) ore type mostly restricted to the top half of the ore seam, near-surface where the seam outcrops.

Quantitative evaluation of minerals by scanning electron microscopy (“QEMSCAN”) analysis showed the gangue minerals in the ore to be very fine grained relative to the phosphate containing apatite nodules. Based on this, 1-2kg composite samples were crushed to -2mm using a rolls crusher to represent phosphate rock export sizing requirements. 0.5kg sub-samples were then attritioned for 5 minutes at 60% solids in a benchscale unit in order to liberate gangue particles from the surface of apatite nodules. Assay by size of the attritioner product was completed to review the impact of desliming in removing gangue particles, a common practice in the phosphate rock industry. The addition of attritioning prior to desliming showed approximately twice the gangue rejection compared to desliming alone, with only a minor reduction in apatite recovery. Only a single set of attritioner conditions were tested due to available sample mass. Full optimisation of the attritioning stage will be undertaken during the feasibility study bulk sample testwork. The attritioner testing will evaluate % solids, residence time, and energy input. Major elements were assayed using inductively coupled plasma optical emission spectrometry (“ICP-OES”) after a lithium borate fusion.

TABLE: Initial beneficiation results.

Attritioner Ore Type Blend	90% Sandy Ore, 10% Indurated Ore
Head Grades	
P ₂ O ₅ Grade %	32.6
CaO Grade %	45.7
SiO ₂ Grade %	8.9
MER Ratio (Al ₂ O ₃ + Fe ₂ O ₃ + MgO)/P ₂ O ₅	0.18
Deslimed Attritioner Product (+38µm)	
P ₂ O ₅ Grade %	34.9
P ₂ O ₅ Recovery %	83.5
CaO Grade %	51.7
CaO/P ₂ O ₅ Ratio	1.5
SiO ₂ Grade %	4.4
MER Ratio (Al ₂ O ₃ + Fe ₂ O ₃ + MgO)/P ₂ O ₅	0.10

Minor element chemical analysis was undertaken using laser ablation on the head samples and by size fraction after crushing to -2mm. Cadmium was noted to be very low, around 1ppm across the samples analysed. This is a

major advantage for the deposit. Heavy metals concentrations were low and within general phosphate rock specifications. Fluorine was 3.7% on average in the head samples as measured by x-ray fluorescence (“XRF”).

The two main ore types were sent for crushing, abrasion and grinding characterisation testwork. The sandy ore was too soft to obtain a crushing work index. Based on the crushing work index, the indurated ore despite being cemented is also considered to be soft. Both ore types have low abrasion indices. Bond Ball Work Index results indicate that the sandy ore is soft to medium hardness, and the indurated is a medium hardness. However no grinding operations are proposed for the project at this stage.

	Sandy	Indurated
Crushing Work Index (kWh/t)	Too Soft to Measure	4.5
Abrasion Index	0.0028	0.0117
Bond Ball Mill Work Index (kWh/t)	11.7	15.1

A maiden Inferred Mineral Resource for the project was recently announced at 12 million tonne Inferred Resource at 28.7% P₂O₅ using a 19% P₂O₅ cut-off grade. Drill hole assays used in the estimate were taken almost entirely at regular 0.5m intervals down hole, and so include sample intervals that cross both the hangingwall and footwall contacts resulting in diluted grades for these samples. Selective mining, as commonly practiced in similar sedimentary phosphorite operations, will likely result in a higher delivered feed grade to the process plant. For full details of the Inferred Mineral Resource refer announcement 6th July 2017;

<http://www.asx.com.au/asxpdf/20170706/pdf/43kgp6drj432tb.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. All material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

Upcoming Activities

In addition to PQ diamond drilling to provide a bulk sample for metallurgical testwork, a major (approximately 300 holes) reverse circulation (“RC”) drill hole resource definition program will also commence in August. The RC program will be used to estimate Mineral Resources for the remainder of the deposit considered in the previously released Exploration Target, and to infill all areas of the deposit to a level sufficient for mining feasibility studies.

A ground penetrating radar (“GPR”) trial survey will be undertaken at the end of July to assess its potential to map the sub-surface hangingwall and footwall contacts to aid in resource definition, mine design, and further exploration for phosphorite within the Mining Lease. The trial survey will complete a 160m by 160m grid over the southern zone of the deposit.

Also to be completed in July will be an aerial Lidar survey over the project area to provide high-resolution imagery and 1m topographic contours for engineering design.

Follow up marketing visits will be completed to India in August to numerous customers who expressed considerable interest in off-take from the project. This follows recent visits and discussions with customers in the local region.

Qube Bulk is due to finish a feasibility study on mine to ship logistics options for Ardmore by the end of July.



FIGURE: Mapping phosphorite section at Ardmore in excavation (trench) AE4.

Project Description

The Ardmore Phosphate Rock Project (“Ardmore”) is located 128 km south of the City of Mount Isa in North West Queensland. The deposit was drilled out in the 1970s at the same time as the discovery of the larger Duchess deposit, which is currently mined to provide feed to the adjacent Phosphate Hill ammonium phosphate fertiliser plant. A Mining Lease for Ardmore was granted in 1975 and it was been held under common ownership with the Duchess Mine until Centrex purchased it this year, with the Mining Lease transferred to it in June.

Centrex plans to develop a phosphate rock export operation at Ardmore to supply the nearby Asian and Australasian markets. With the bulk of the export market coming from North Africa and the Middle East, Ardmore will have a large freight advantage to these markets. Ardmore’s already high phosphate grade means processing costs will be lower than the majority of producers that require significant beneficiation to reach export grade levels. Mining at Ardmore will also be relatively cheap as it is flat lying, shallow, and should not require blasting. Centrex plans to truck product from Ardmore 90 km to the Mount Isa-Townsville rail line and export from Townsville through existing port facilities.

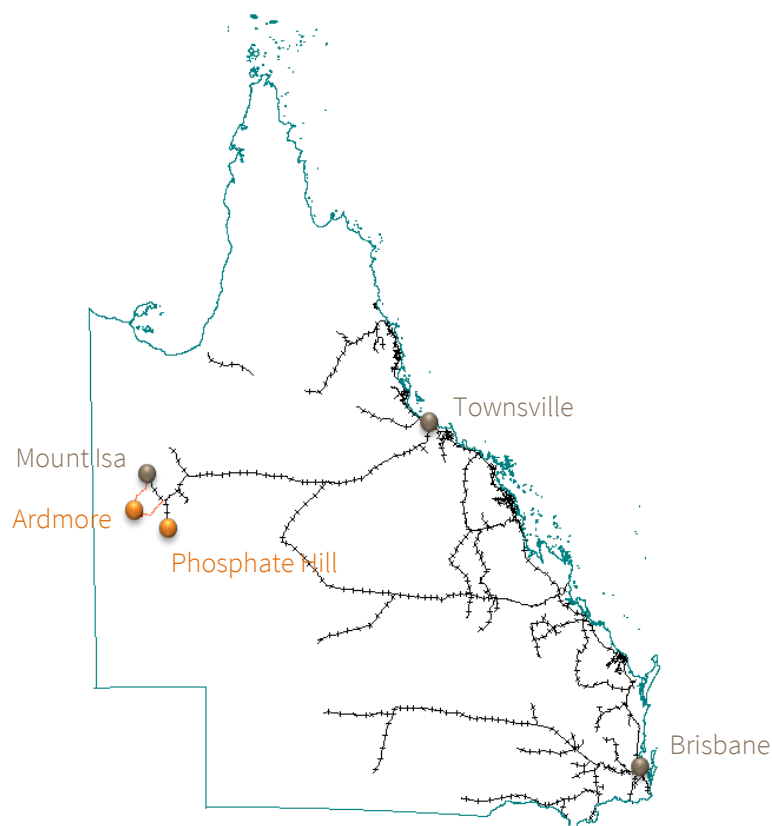


FIGURE: Ardmore location map.

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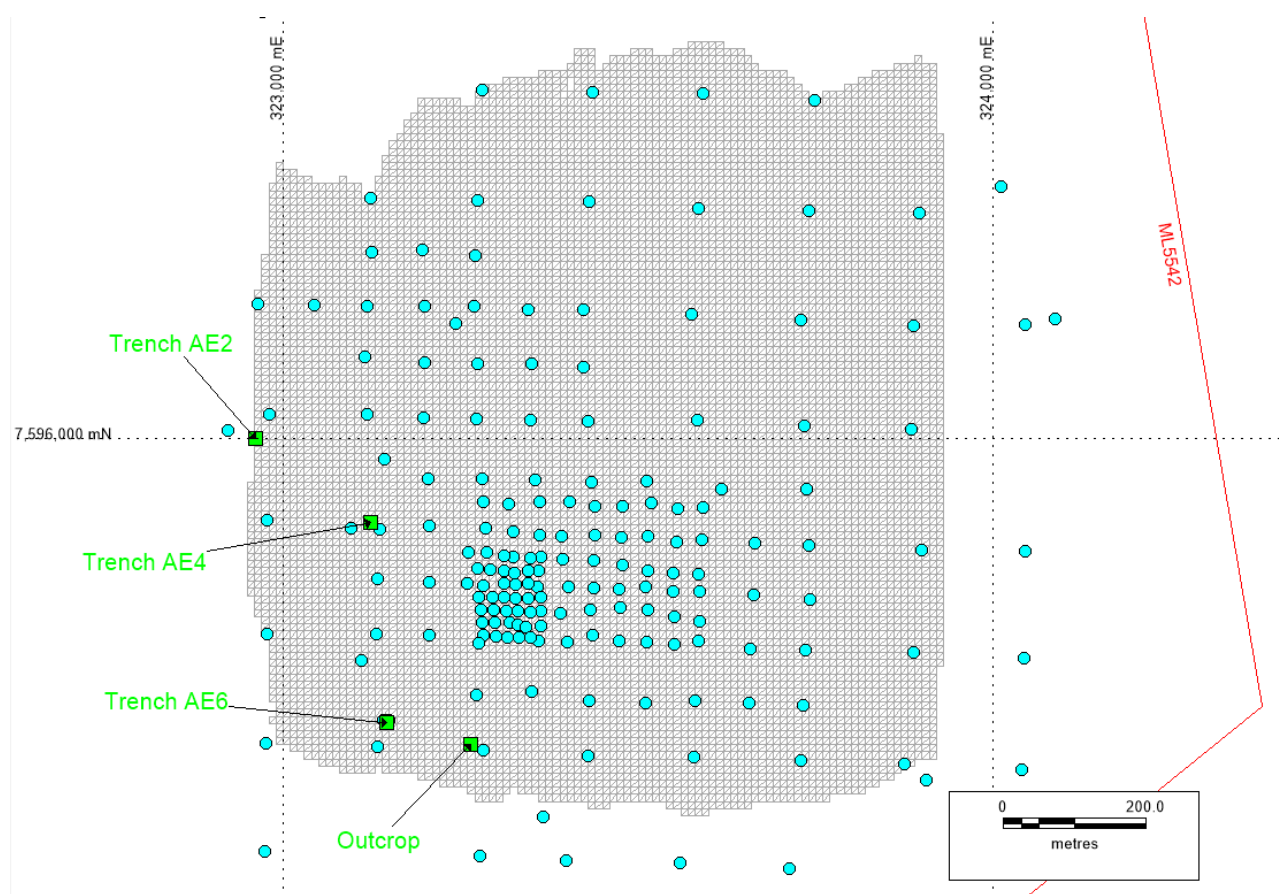
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Appendix – Technical Information

TABLE: Ardmore initial attritioning testwork trench intervals and outcrop sample locations (handheld GPS).

Sample	Ore Type	X Easting (MGA94)	Y Northing (MGA94)	From (m)	To (m)
Trench AE2	Indurated	322961	7596000	1.1	1.5
Trench AE2	Sandy	322961	7596000	1.4	2.0
Trench AE4	Indurated	323124	7595883	0.5	1.2
Trench AE4	Sandy	323124	7595883	1.2	1.8
Trench AE6	Indurated	323146	7595600	2.0	3.0
Outcrop	Indurated	323265	7595570	0.0	0.2

**FIGURE:** Plan view of trench and outcrop sample locations relative to southern zone Inferred Mineral Resource (shaded) and historical drill holes (blue).

Competent Persons Statement

The information in this report relating to Exploration Results is based on information compiled by Mr Ben Hammond who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Ben Hammond is the CEO of Centrex Metals Limited. Mr Hammond has sufficient experience, which is relevant to the style of mineralisation 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 Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ardmore Phosphate Rock Project JORC Table 1 Report

SECTION 1: Sampling techniques and data.

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling. Sample representivity. Determination of mineralisation. 	<p>Samples were taken from trench faces for sighter testwork only and results are only considered indicative. As samples were taken near surface weathering affects have impacted on the sample geochemistry compared to the deposit average.</p> <p>Samples were taken based on historic trench logging, face sampling, and grade analysis undertaken in the 1970s.</p> <p>The trench faces of the sandy material were scraped to a depth of 5cm to remove surface weathering prior to sampling, while the indurated material was scrubbed with a coarse brush to remove possible surface weathering products resulting from exposure since the 1970s. 0.5-1kg samples were then taken via a small vertical channel down the face into a plastic bucket, before being transferred into plastic sample bags and sealed into plastic buckets for transport to the Bureau Veritas Minerals in Adelaide.</p> <p>A single outcrop sample was taken in order to meet required mass of physical characterisation testwork but was not included in the beneficiation testwork. The sample was considered representative in terms of hardness.</p>
Drilling techniques	<ul style="list-style-type: none"> Drill type. 	Trench samples only were taken.
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing sample recoveries. 	Trench samples only were taken. Minimisation of fines loss was considered during face sampling with a large bucket held below the face channel to catch any fines generated.

	<ul style="list-style-type: none"> Measures taken to maximise sample recovery. 	
Logging	<ul style="list-style-type: none"> Geological and geotechnical logging. Whether logging is qualitative or quantitative. Total length and percentage of the relevant intersections logged. 	<p>Samples were logged for their relative hardness and ore type. This was referenced to historical trench logging and face sampling. Only the phosphorite ore zone was sampled. The current face sampling did not sample the entire seam and the originally exposed trench faces are only partly accessible due to partial filling of the trenches with alluvium.</p>
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> Nature, quality and appropriateness of the sample preparation technique. Quality control. Sample representivity. Sample sizes. 	<p>Samples were taken from trench faces for sighter testwork only and results are only considered indicative. 0.5-1kg samples were sent to Bureau Veritas Minerals in Adelaide and were crushed to -2mm and homogenised. Sub-samples were taken for head grade, mineralogy and attritioning testwork. Attritioning testwork was undertaken on a 0.5kg sub-sample. Calculated head grades from attritioner results aligned well with head grade.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> Nature of quality control procedures. 	<p>Major element assays undertaken at Bureau Veritas Minerals in Adelaide by metaborate fusion followed by ICP, and trace elements via laser ablation. Major elements repeats for head assays were done by XRF at Bureau Veritas Cardiff showing good correlation. Inter-lab duplicate head pulps were sent to Core laboratories in Brisbane for strong acid digest followed by ICP analysis. Two sedimentary phosphorite certified reference materials ("CRMs") were also submitted blind by Centrex to Bureau Veritas Minerals. ICP and XRF showed good correlation and analysis of CRMs showed results within acceptable limits.</p> <p>Numerous fluorine methods were trialed (SIE3, HPLC, XRF) with variation shown between results. Based on analysis of the two CRMs, XRF was considered the appropriate technique for material of this nature.</p>

<i>Verification of sampling and assaying</i>	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage protocols.</i> • <i>Any adjustment to assay data.</i> 	<p>Samples were taken from trench faces for sighter testwork only and results are only considered indicative.</p> <p>Inter-lab duplicates were completed on major element head assays. Two sedimentary phosphorite certified reference materials (“CRMs”) were also submitted blind by Centrex to Bureau Veritas Minerals.</p>
<i>Location of data points</i>	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys.</i> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>Trench sample easting and northing locations were determined by handheld GPS using MGA94 Zone 54 grid system. Relative levels were not recorded given the known inaccuracy of handheld GPS.</p>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource.</i> • <i>Whether sample compositing has been applied.</i> 	<p>All trench samples were taken from the southern zone of the deposit given this zone is at shallow depths than the northern zone and represents the majority of the Inferred Mineral Resource. The data spacing for sighter metallurgical testwork was considered adequate. Samples were combined from multiple trenches and homogenized after crushing. Assay results by size fraction were composited by weighted average based on recorded mass fractions. Ore types were composited based on estimates of their distribution across the deposit derived from wireframe interpretations from historical drill hole logging. Further metallurgical characterization of the ore body is required to establish the representivity of the samples taken.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling.</i> 	<p>Trench samples were taken vertically on the face with the strata near horizontal at the sampling locations. Sighter testwork targeted ore types only and the full seam was not sampled in the face due to the trenches having been partly filled with alluvium.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>Samples were placed in plastic bags that were sealed in plastic buckets for transport to Bureau Veritas Minerals Adelaide.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>There has been no detailed audit or reviews by Centrex of the sampling techniques and data.</p>

Ardmore Phosphate Rock Project JORC Table 1 Report

SECTION 2: Reporting of Exploration Results.

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<ul style="list-style-type: none"> <i>Type, reference name/number, location and ownership including agreements.</i> <i>The security of the tenure held at the time of reporting.</i> 	<p>The project is held on Mining Lease ML5542 held by Centrex Phosphate Pty Ltd, a 100% subsidiary of Centrex Metals Limited. An application to renew the Ardmore Mining Lease (ML 5542) has been submitted for a further 21 years term. Southern Cross Fertilisers Pty Ltd holds a 3% revenue royalty on production.</p> <p>Compensation agreements for exploration and mining with all relevant landowners over the Mining Lease are in place.</p>
<i>Exploration done by other parties</i>	<ul style="list-style-type: none"> <i>Exploration by other parties.</i> 	<p>Broken Hill South Limited and Queensland Phosphate Limited (Mines Exploration Pty Ltd) completed 6 main trench excavations in the 1970s using a D9 Dozer to depths up to 10m that are still partly open. Detailed face mapping and sampling was completed at the same time including an honors thesis. Trench samples were taken by Centrex from these same excavations with ore types targeted based on the historical studies. Wireframes of ore types completed by Centrex were based on historical drill hole logging data that was qualitative.</p>
<i>Geology</i>	<ul style="list-style-type: none"> <i>Deposit type, geological setting and style of mineralisation.</i> 	<p>The Ardmore phosphate deposit was discovered in September 1966 and is located within the 'Ardmore Outlier' of the Georgina Basin.</p> <p>The Cambrian aged sedimentary phosphate deposit consists predominantly of pelletal phosphorites with small bands of collophane mudstone. The small (approx. 100-200 micron) sized pellets of carbonate-fluorapatite probably formed in a shallow shelf environment.</p> <p>Within the Ardmore Outlier the single phosphate bed occurs within the Simpson Creek Phosphorite Member (SCPM) of the Beetle Creek Formation.</p> <p>The SCPM is essentially flat lying with a gentle to moderate dip (<20 degrees) to the east and occurs spatially within two main separate areas: the Northern Zone and the Southern Zone.</p> <p>The SCPM has an approximate average thickness of 5 m in the Southern Zone and is located from surface to greater than 15 m depth.</p> <p>The Northern Zone has an approximate average thickness of 3 m and is deeper than the Southern Zone, with depths starting from near-surface in the west before dipping away to the east and extending to depths greater than 20 m.</p>

<i>Drill hole Information</i>	<ul style="list-style-type: none"> • <i>A summary of all information material to the understanding of the exploration results.</i> 	Exploration Results presented in this announcement are indicative only and for sighter metallurgical testwork based on trench face sampling only.
<i>Data aggregation methods</i>	<ul style="list-style-type: none"> • <i>Weighting averaging techniques and grade cuts.</i> • <i>Aggregation procedure.</i> • <i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i> 	Assays from the attritioner results were compiled via weighted averages based on recorded mass fractions. Ore type compositing for the attritioning was based on estimated distributions of each derived from wireframes constructed by Centrex from historical qualitative logging of hardness. The resource block model was flagged with the wireframes and mass based percentages of each interpreted from the results.
<i>Relationship between mineralisation widths and intercept lengths</i>	<ul style="list-style-type: none"> • <i>Geometry of the mineralisation with respect to the drill hole angle.</i> 	Trench samples were taken vertically on the face with the strata near horizontal at the sampling locations. Sighter testwork targeted ore types only and the full seam was not sampled in the face.
<i>Diagrams</i>	<ul style="list-style-type: none"> • <i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i> 	See figures included in this announcement.
<i>Balanced reporting</i>	<ul style="list-style-type: none"> • <i>Representative reporting of both low and high grades and/or widths.</i> 	The reporting of results is considered to be balanced and all relevant results have been reported.
<i>Other substantive exploration data</i>	<ul style="list-style-type: none"> • <i>Other exploration data.</i> 	No other exploration data is available at this time.
<i>Further work</i>	<ul style="list-style-type: none"> • <i>The nature and scale of planned further work.</i> 	A series of PQ diamond core holes are planned in August across the ore body over the full seam intervals to provide a representative bulk composite of the deposit for further metallurgical testwork.