



ASX Announcement 25th July 2017

Period Ending

30th June 2017

Quarterly Activities Report

Highlights

Corporate

- ▶ Appointment of Mr Chris Indermaur as a director (effective from 1st July 2017)
- ▶ A\$ 20.0 million cash reserves remaining as at 30th June 2017 with no debt

Ardmore Phosphate Rock Project, Queensland

- ▶ Acquisition complete with Mining Lease 5542 transferred to Centrex
- ▶ Environmental and cultural heritage surveys undertaken
- ▶ Logistics study by Qube Bulk nearing completion
- ▶ Maiden Inferred Mineral Resource of 12 million tonne at 28.7% P₂O₅ (using 19% P₂O₅ grade cut-off) announcement made just following end of quarter
- ▶ Further infill resource definition and metallurgical bulk sample drilling to commence in August as part of feasibility study due for completion mid-2018

Oxley Potassium Nitrate Project, Western Australia

- ▶ Engineering design review of the Oxley Potassium Nitrate Project is complete
- ▶ Comminution & roasting circuit designs, overall engineering and 3D plant model have been completed by Hatch
- ▶ Solar evaporation pond design and hydrometallurgical circuit design completed by Novopro
- ▶ Nitric acid plant feasibility study completed by KBR Weatherly
- ▶ The review of the scoping study has reduced the overall complexity and footprint of the original plant design
- ▶ A small-scale continuous pilot plant is planned to commence in the coming months based on the updated roasting circuit design

REPORT

1. CORPORATE

The Company continues to maintain a healthy balance sheet with A\$ 20.0 million in cash reserves remaining as at 30th June 2017, with no debt outside of current trade payables.

The Company appointed Mr Chris Indermaur as a Non-Executive Director on 29th June 2017 (effective 1st July 2017). Chris has significant technical and commercial experience, particularly in downstream mining related industrial facilities including fertiliser plants and his appointment coincides with completion of the Company's purchase of the Ardmore Phosphate Rock Project.

2. ARDMORE PHOSPHATE ROCK PROJECT, QLD

Centrex Metals Limited ("Centrex") completed the acquisition of the Ardmore Phosphate Rock Project ("Ardmore") in Northwest Queensland from Southern Cross Fertilisers Pty Ltd ("SCF") on 27th June 2017. Ardmore is one of the few remaining undeveloped high-grade phosphate rock deposits in the world.

Centrex paid A\$ 5 million to SCF on completion. 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.

Mining Lease ML5542 comprising the project has been transferred to Centrex's subsidiary Centrex Phosphate Pty Ltd ("Centrex Phosphate"). Transfer of the existing Environmental Authority from SCF to Centrex Phosphate is in progress and is expected to be completed in July.

A maiden Inferred Mineral Resource based on historical drilling was announced for the project by Centrex just following the end of the quarter of 12 million tonne at 28.7% P₂O₅ (using a 19% P₂O₅ grade cut-off).

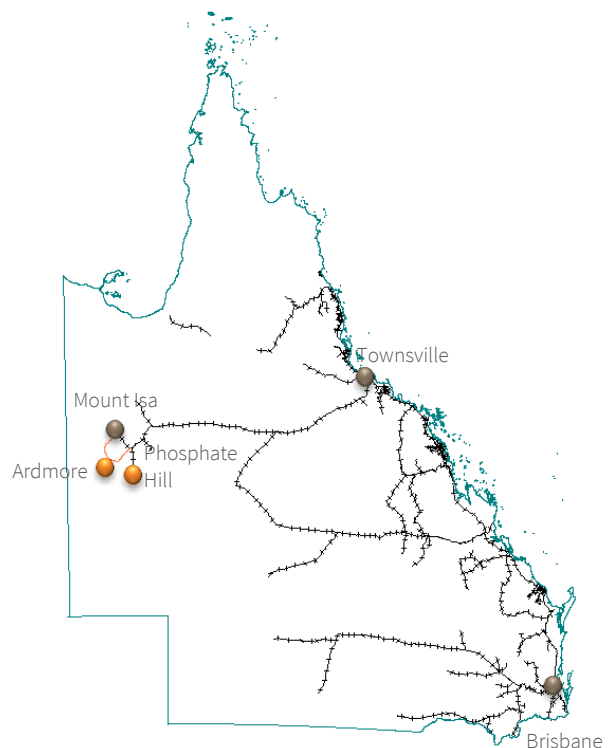


FIGURE: Ardmore location map.

For full details of the resource announcement see the release on the 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.

Centrex will commence infill resource definition and metallurgical bulk sample drilling in August as part of its feasibility study now underway for the project, and expected to be completed 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.

Northern Resource Consultants ("NRC") completed an early dry season flora and fauna survey across the Ardmore Mining Lease, and cultural heritage surveys were also completed. Survey reports are due to be provided next quarter. 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 in July, 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.

3. OXLEY POTASSIUM NITRATE PROJECT, WA

Centrex announced immediately after the end of the quarter that an engineering design review of its Oxley Potassium Nitrate Project ("Oxley") 125km from the Port of Geraldton in Western Australia has been completed. The purpose of the design review was to increase the confidence in the original scoping study design, and consider any areas of potential improvement.

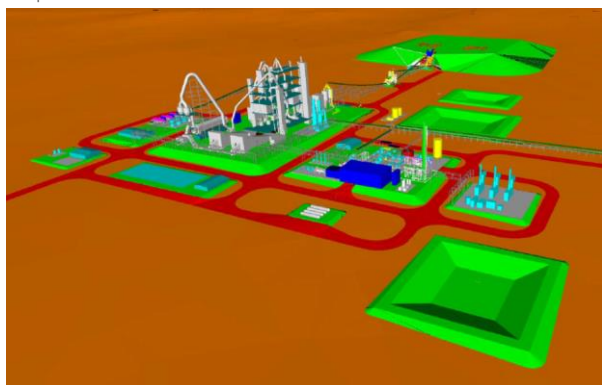


FIGURE: Oblique view looking south-east at the Oxley process plant, pit and mine waste facilities designs.

The key outcomes from the design review have been to reduce the overall complexity and footprint of original scoping study design, and to select a go-forward design option to underpin a prefeasibility study testwork program. This testwork program includes a small-scale continuous pilot plant for the roasting circuit, which is planned to commence in the coming months.

The updated engineering design also includes a 3D plant model which allows for a better understanding of the plant layout and has been used to estimate the construction quantities required for plant and ancillary facilities. The revised capital and operating costs for the project are being finalised based on the updated design, and are expected to be provided to Centrex in July.

4. GOULBURN POLYMETALLIC PROJECT, NSW

No exploration activities were undertaken during the quarter at the Goulburn Polymetallic Project.

5. IRON ORE PORTFOLIO, SA

No exploration activities were undertaken during the quarter by the Eyre Iron Magnetite Joint Venture ("Eyre Iron"). The Joint Venture increased its cash position during the quarter due to a site auction held to dispose of surplus assets. The Joint Venture held cash of A\$ 0.8 million as at 30th June 2017.

Centrex's exit from the Bungalow Joint Venture is complete having formally executed all of the documents and transfers necessary to sell the tenement to Baogang Investment (Australia) Pty Ltd in mid-June.

6. TENEMENTS

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

Queensland (Mining Lease)

Ardmore Phosphate Rock Project ML 5542

Western Australia

Oxley A E70/3777 Oxley B E70/4004

Oxley C E70/4318 Oxley D E70/4319

Oxley E E70/4320 Oxley F E70/4378

Oxley G E70/4729

New South Wales

Goulburn EL 7388

Archer EL 7503

South Australia

Mount Hill EL 5065

Wanilla EL 5559

Carrow EL 4998

Greenpatch EL 5852

Retention Lease (South Australia)

Kimba Gap RL 129

Mining Lease (South Australia)

Wilgerup ML 6344

Attached is the Appendix 5B Statement of Cash flows for the period from 1st April 2017 to 30th June 2017.

For further information please contact:

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Centrex Metals Limited
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Centrex Metals Limited
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Appendix 5B

Mining exploration entity and oil and gas 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, 01/05/13, 01/09/16

Name of entity

Centrex Metals Limited

ABN

97 096 298 752

Quarter ended ("current quarter")

30th June 2017

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
1.	Cash flows from operating activities		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(980)	(7,488)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(334)	(1,211)
	(e) administration and corporate costs	(232)	(806)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	152	743
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid) / refunded	265	439
1.7	Research and development refunds	-	-
1.8	Other – settlement proceeds - Port Spencer legal matter	-	1,279
1.9	Net cash from / (used in) operating activities	(1,129)	(7,044)
2.	Cash flows from investing activities		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(4)	(24)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(4)	(24)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	21,142	27,077
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,129)	(7,044)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(4)	(24)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	20,009	20,009

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,544	231
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other – term deposits with maturity > 90 days	18,136	20,664
5.4	Other – restricted cash held in JV company	329	247
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	20,009	21,142

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	71
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

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7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

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8.	Financing facilities available	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
	<i>Add notes as necessary for an understanding of the position</i>		
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(1,815)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(223)
9.5	Administration and corporate costs	(277)
9.6	Other (provide details if material)	-
9.7	Total estimated cash outflows	(2,315)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	EL 5851 Bungalow / Minbrie, SA	Tenement sold to Baogang Investment (Australia) Pty Ltd	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	ML 5542 – Ardmore Phosphate Rock Project	Mining Lease transferred	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.



Sign here:

Company secretary

Date: 25th July 2017

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, 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. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.