



From mine to farm, **integrated**
fertiliser resource developments.



October 2018

WWW.CENTREXMETALS.COM.AU

Company Snapshot



Capital Structure October 2018

Ordinary shares on issue	315.7 million
Share rights on issue	5.8 million
Share Price (4 October 2018)	A\$ 0.13
Market Capitalisation (4 October 2018)	A\$ 41.0 million
Cash (30 th September 2018)	A\$ 11.3 million

- High-grade Queensland phosphate rock project DFS completed with unleveraged nominal pre-tax NPV₁₀ of A\$172 million and internal rate of return of 40%
- Low A\$ 77 million pre-production capital project with a short 4 year payback period
- Fabrication of start-up plant commenced to provide trial shipments in 2019 for offtake to underpin project financing
- Exploration upside with adjacent tenements
- Seeking strategic partner for large-scale potassium nitrate project held in Western Australia
- A\$10 million contingent royalty receivable on iron ore projects disposed of in March 2018
- Further synergistic acquisitions being considered

CXM:ASX

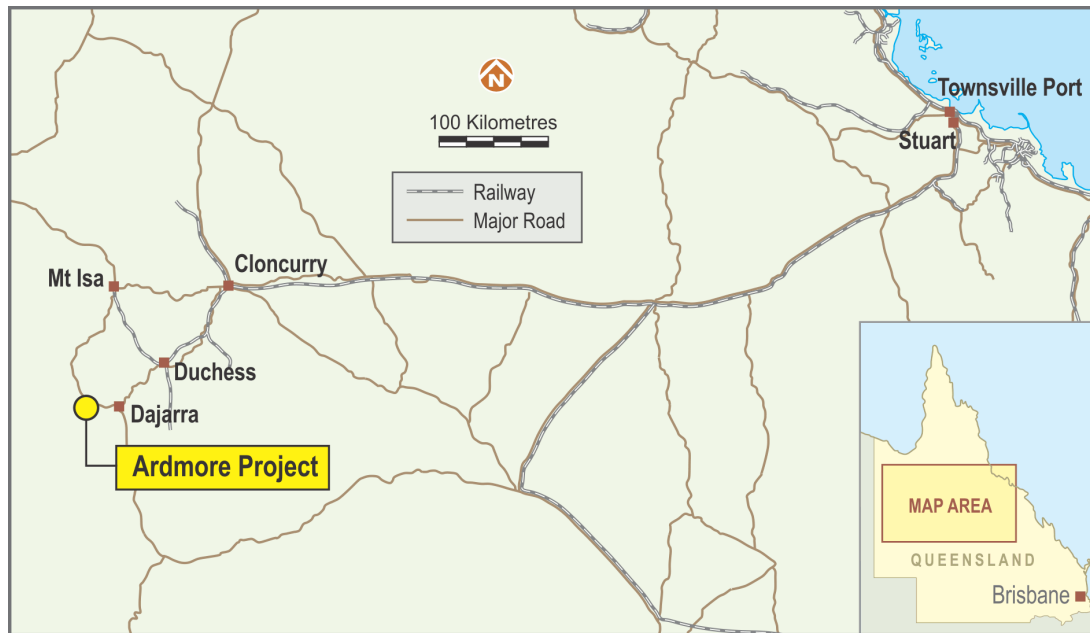


Ardmore Phosphate Rock Project

“Right Place Right Time”



Ardmore Phosphate Rock Project



- One of the few remaining undeveloped high-grade phosphate rock projects in the world
- Shallow mining and very simple processing
- Ability to produce a “clean” premium grade phosphate rock concentrate with ultra-low cadmium levels
- Access to existing road, rail and port infrastructure
- Strategically positioned for supply domestically and throughout Asia-Pacific

Ardmore Target Markets

- The traded phosphate rock market is 28 million tonnes of which 12 million are to Ardmore's target customers in the Asia-Pacific
- Demand to the target customers is forecast to grow by 5 million tonnes in the next 5 years
- Ardmore has a freight advantage over the current major suppliers
- Traded phosphate rock benchmarks range from 27%-34% P_2O_5 and Ardmore concentrate is above the top end of this range
- Toxic cadmium is a major issue for the industry and Ardmore concentrate has almost none
- High carbonate consumes more sulphuric acid in processing and Ardmore concentrate has low levels

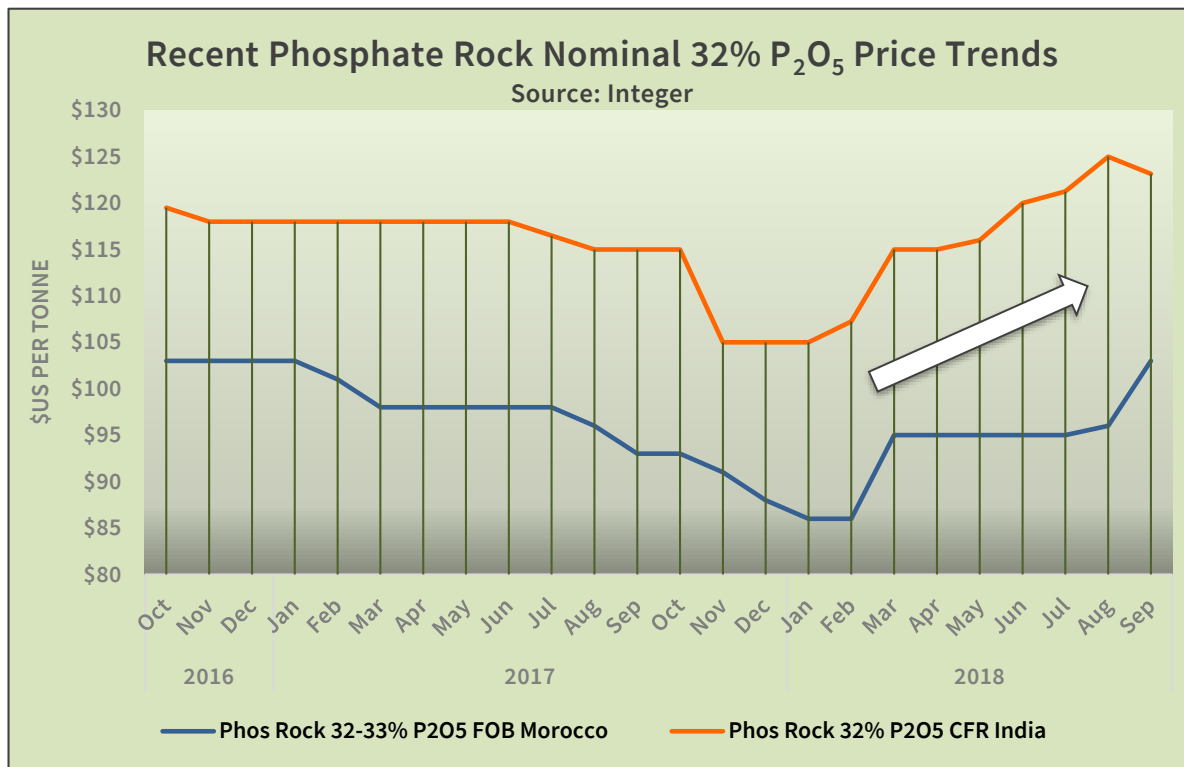


 Target Markets
 Current Major Suppliers

The Local Market

- Australian and New Zealand Single Superphosphate (SSP) require a 34% P_2O_5 phosphate rock blend with enough iron and alumina to provide effective granulation
- Ardmore will be one of the few products on the market capable of producing SSP in Australia and New Zealand without the need for blending with other rocks
- Ardmore able to reduce Australia and New Zealand's currently high cadmium levels
- Presently a significantly portion of imports are from the disputed Western Sahara region controlled by Morocco
- A number of shipments from the Western Sahara have been held up in legal disputes and one of the world's largest importers Agrium has stopped buying from this region
- Ardmore offers a "clean" ultra-low cadmium alternative product from a low sovereign risk jurisdiction

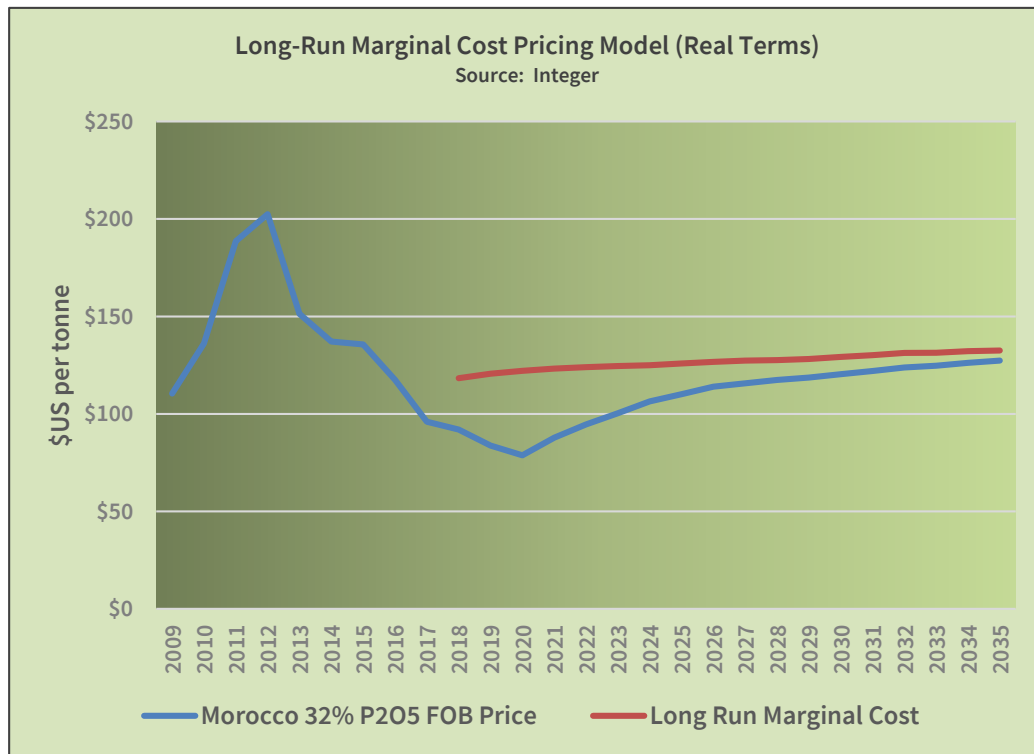
Phosphate Rock Price Recovery Has Begun



- Phosphate rock prices have been steadily increasing in 2018 from historic lows in 2017, contrary to forecasts
- Ardmore provides an opportunity to invest in a rising market
- Ardmore's premium 35% P_2O_5 product with low carbonate and ultra-low cadmium provides a value-in-use ("VIU") premium over the 32% P_2O_5 Morocco benchmark product
- Significant freight advantage to target customers in the Asia-Pacific over Morocco

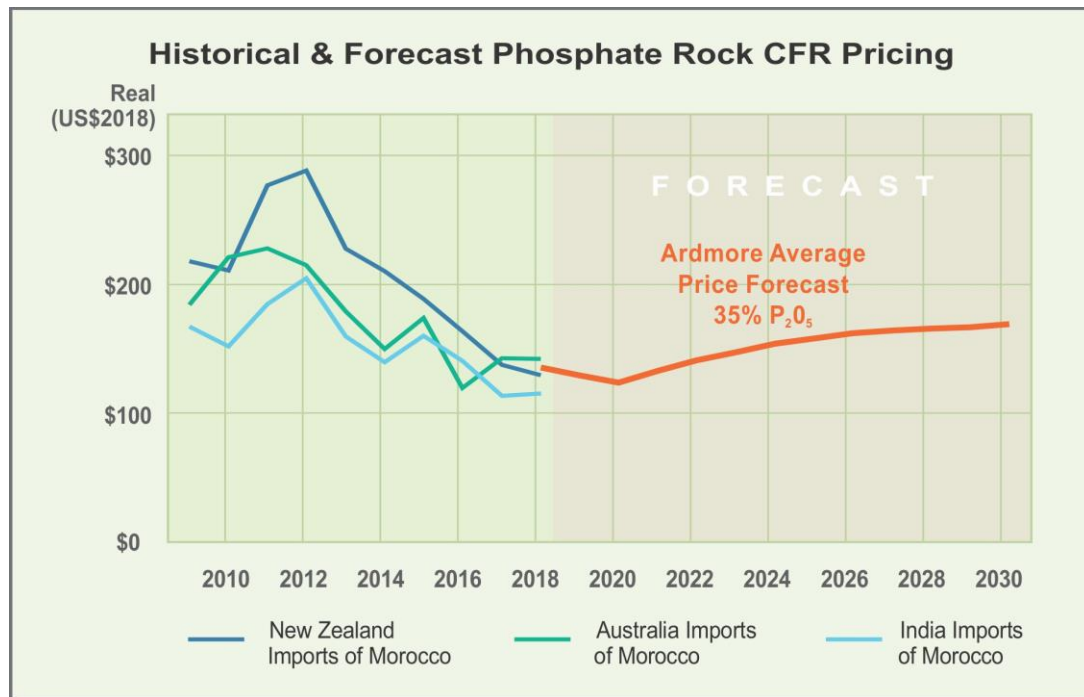
Prevailing Price Below Marginal Cost

- Long Run Marginal Cost (LRMC) determines price required for new capacity to come on stream – ensures market remains in balance
- Current prices below LRMC due to recent expansions from Morocco and Saudi Arabia
- Recent price recovery as higher cost suppliers have closed down
- Integer forecast that prices will move back towards the LRMC over the next decade as the market rebalances in line with strong demand growth



Forecast CFR Pricing for Ardmore

- Centrex engaged Integer to provide forecast CFR pricing over the life of mine to each of its individual target customers
- Integer utilised its forecast of the Morocco FOB 32% P_2O_5 benchmark as the basis of its future pricing trend based on the supply & demand balance and long-term marginal costs
- Price forecast adjusted for premium Ardmore phosphate grade
- Forecast prices rises conservative compared to historical pricing
- Significant upside for Ardmore if prices return to historical levels



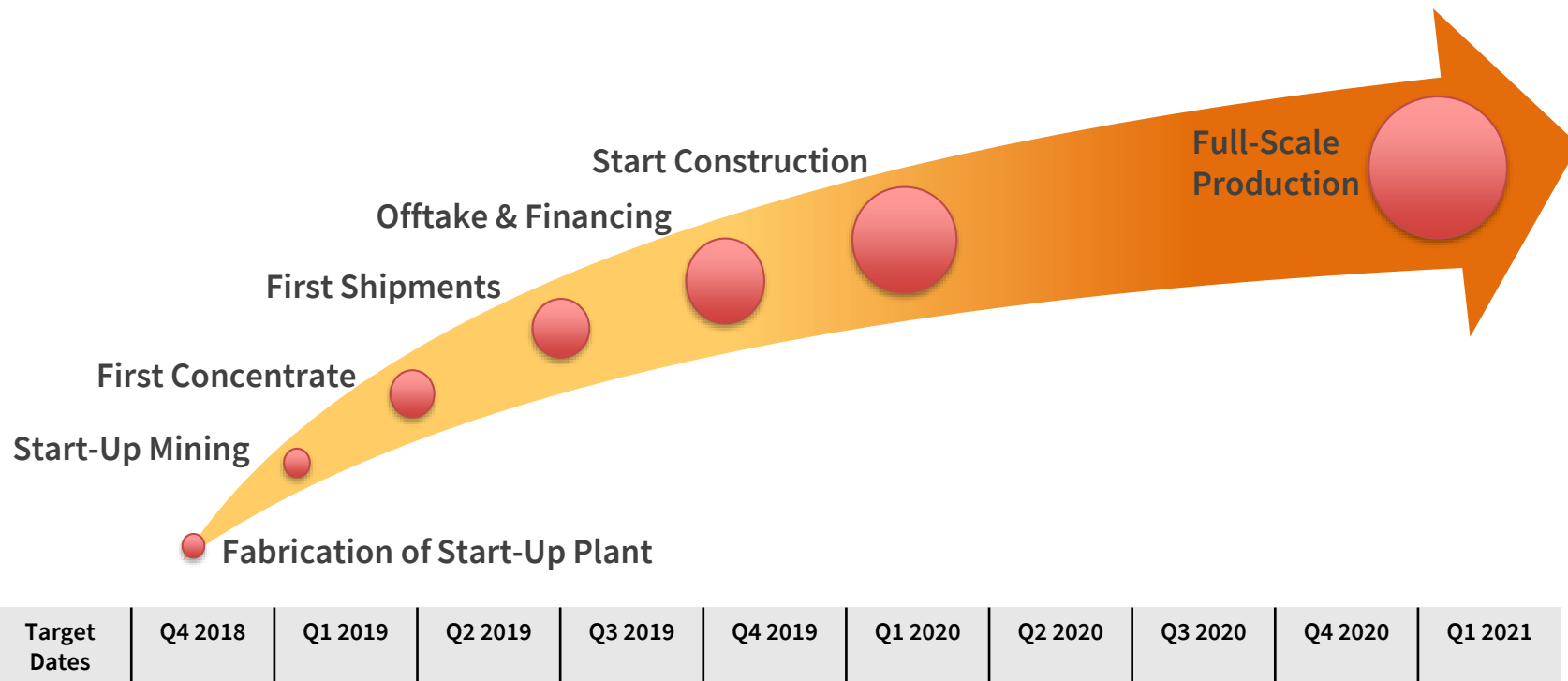
Marketing

- Positive results from two 400 tonne paid run of mine shipments of Ardmore tested by two regional SSP producers with a longer term view to buying premium grade concentrate
- Australia's largest phosphate rock importer Incitec Pivot hold a 20% right of first refusal over off-take from the project
- Centrex signed a non-binding MOU with Indian major Gujarat State Fertilizers & Chemical Limited for 40% of the off-take
- Start-up plant to provide 5,000 to 6,000 tonne phosphate rock concentrate shipments to customers in 2019 to underpin long-term offtakes
- First 5,000 tonne shipment contract signed with major manufacturer in the local region with a view to long term offtake commitment
- Further contracts in advanced stage of negotiation



Ardmore run of mine ore SSP trial at manufacturer in the local region

Value Milestones – Progress To Production

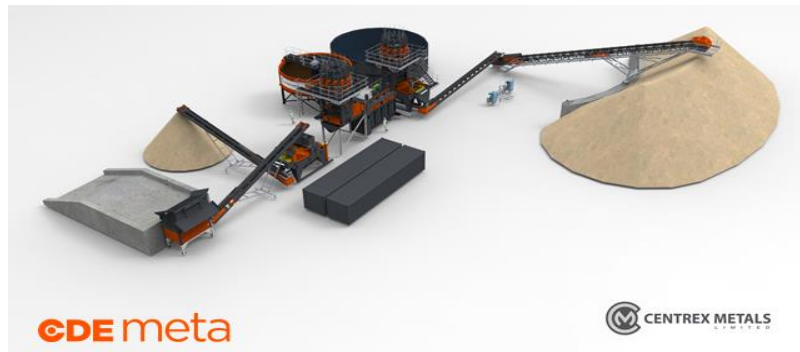


Ardmore – Definitive Feasibility Study October 2018



Definitive Feasibility Study Results

- 800,000 wet tonnes per annum of premium grade phosphate rock concentrate over 10 year life
- Significant upside with the Ore Reserve derived from existing 16 million tonne Mineral Resource and 339km² of adjacent prospective exploration tenements
- Low A\$ 77 million pre-production capital project with a short 4 year payback period
- Unleveraged nominal pre-tax NPV₁₀ of A\$172 million and internal rate of return of 40% (0.74 A\$:US\$ and 2.5% escalator)
- Initial start-up plant presently being fabricated, with first operations scheduled to commence in mid-2019 to provide circa 30,000 tonnes of concentrate to numerous potential long-term offtake customers
- Start-up plant is readily upgradeable to achieve full-scale production, representing a major step in technically and commercially de-risking the project

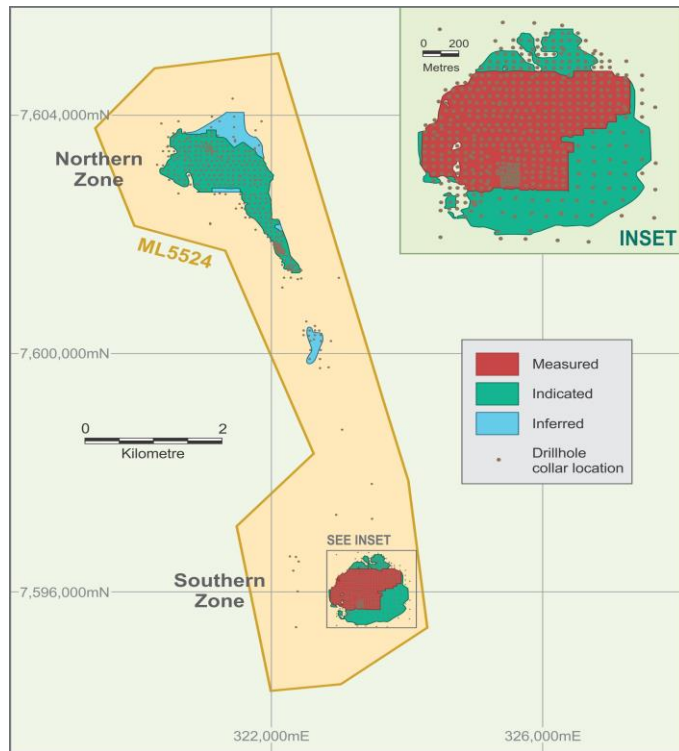


3D design of modular start-up plant
currently under fabrication

CDE meta

Mineral Resource

- Outcropping and shallow dipping 2m to 5m sedimentary phosphorite
- A total of 1,006 drill holes across the deposit
- Mineral Resource estimated by RPM Advisory Services Limited (“RPM”) in 2018



16% P₂O₅ Grade Cut-Off

Category	Million Tonne	P ₂ O ₅ %
Measured	3.3	29.8
Indicated	11.1	27.4
Inferred	1.7	26.8
Total	16.2	27.8

The announcement in relation to the Mineral Resource was made on 1st June 2018 and can be found at:

<https://www.asx.com.au/asxpdf/20180601/pdf/43vgxdljpsgcwb.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.

Ore Reserves



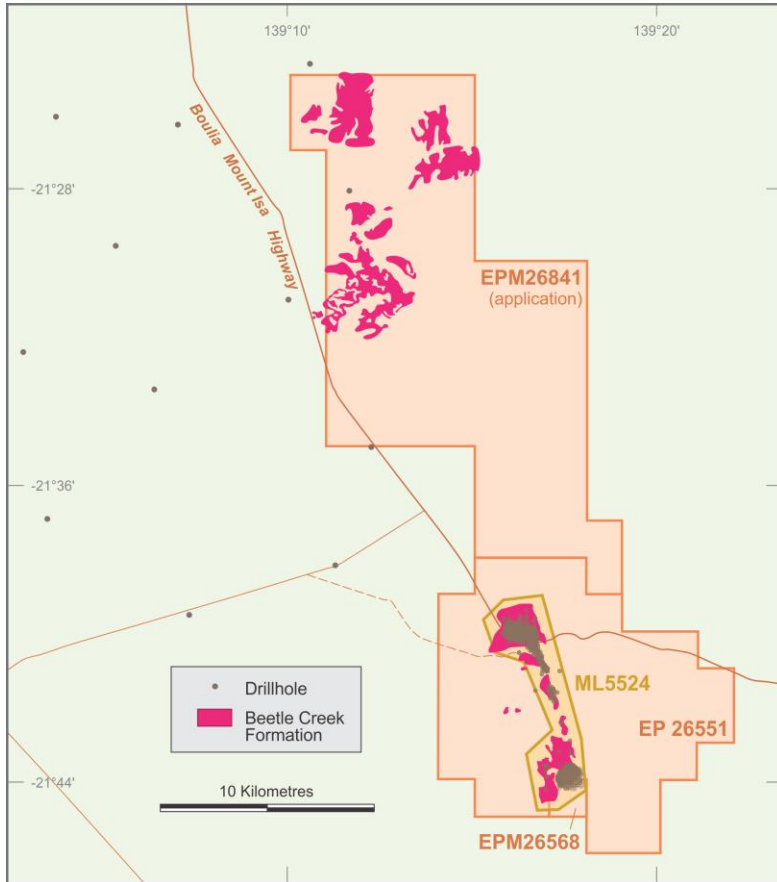
Free digging shallow phosphate rock at Ardmore

27.5% P ₂ O ₅ Grade Cut-Off		
Category	Million Tonne	P ₂ O ₅ %
Probable	7.3	30.2
Proven	2.8	30.3
Total	10.1	30.2

- 1 million dry tonnes per annum processing rate to produce 800,000 wet tonnes of premium grade concentrate
- 10 year mine life from current Ore Reserves
- Low cost free-dig strip mining

The announcement in relation to the Ore Reserves was made on 8th October 2018 and can be found at: <https://www.asx.com.au/asxpdf/20181008/pdf/43z1q8nvm95k58.pdf>
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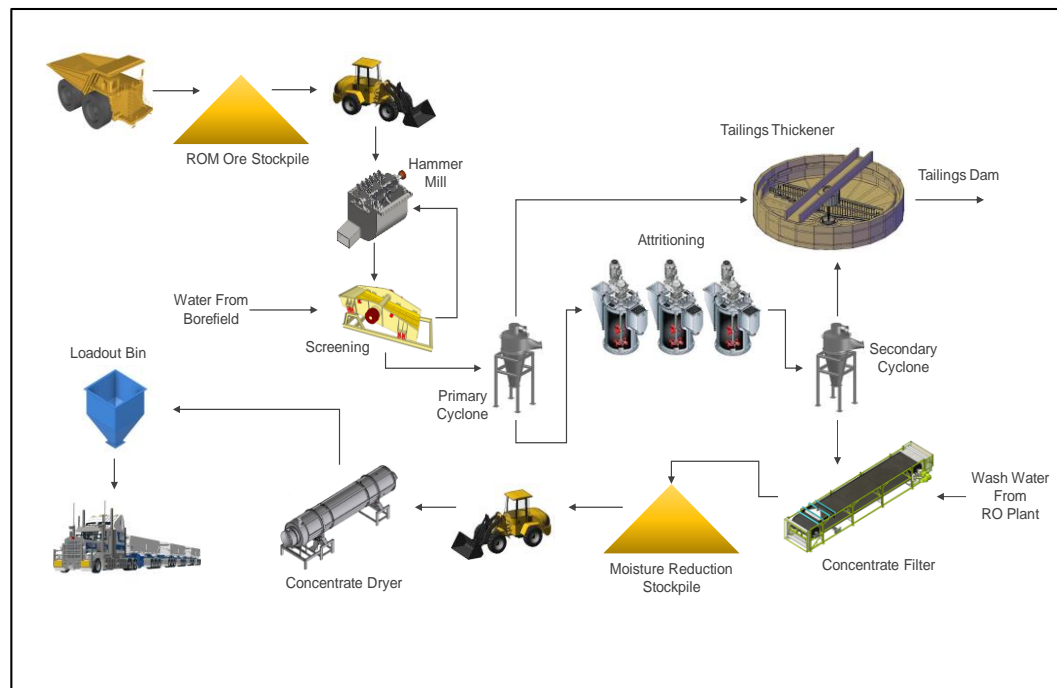
Exploration Upside

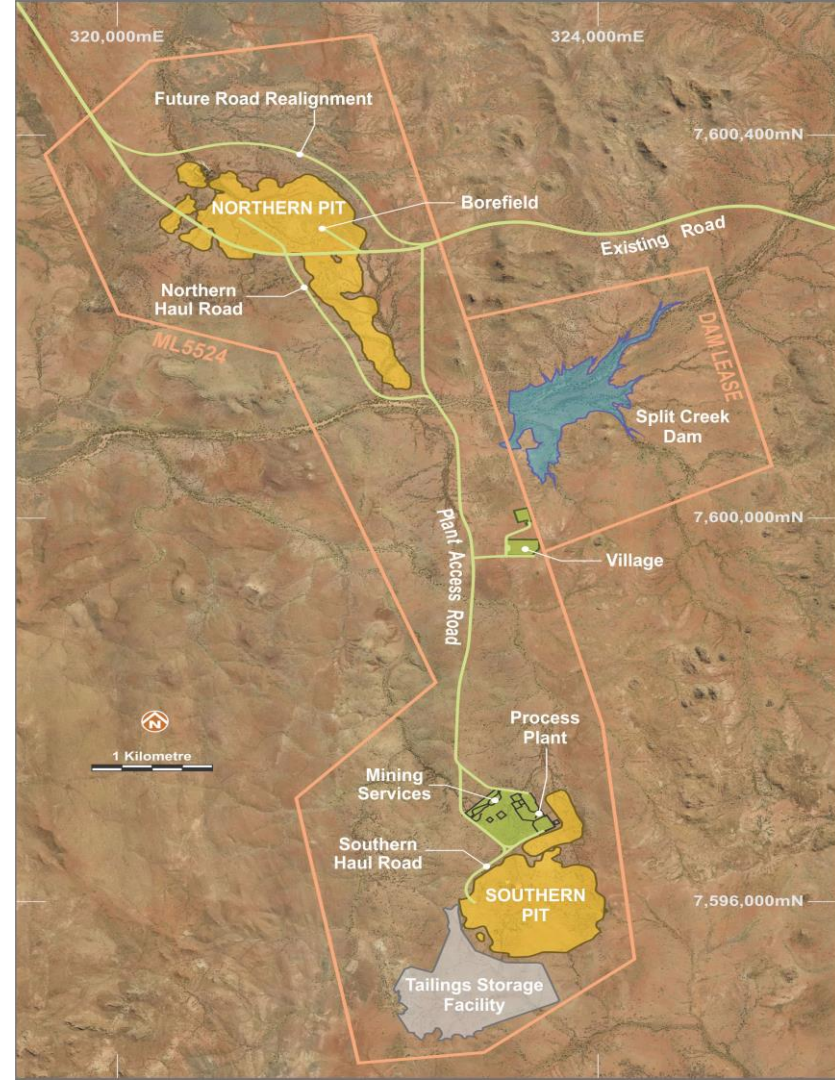
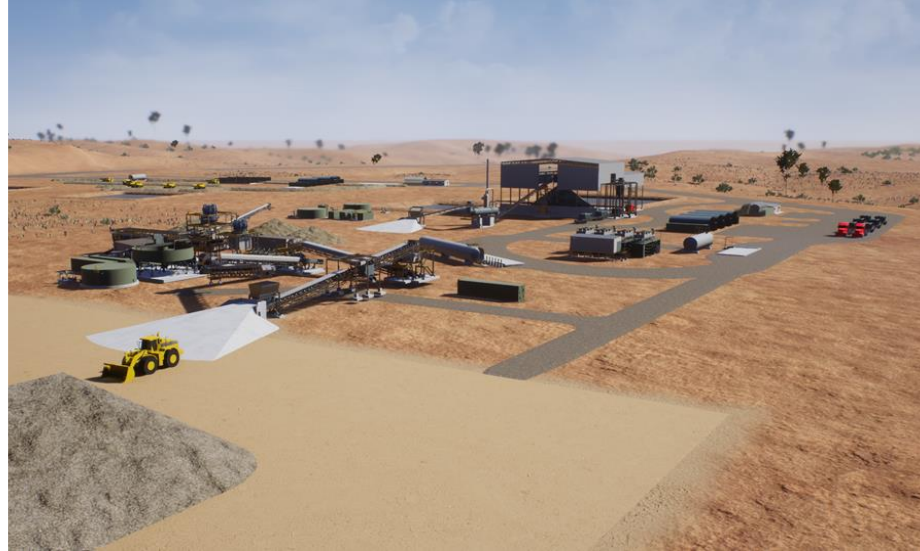
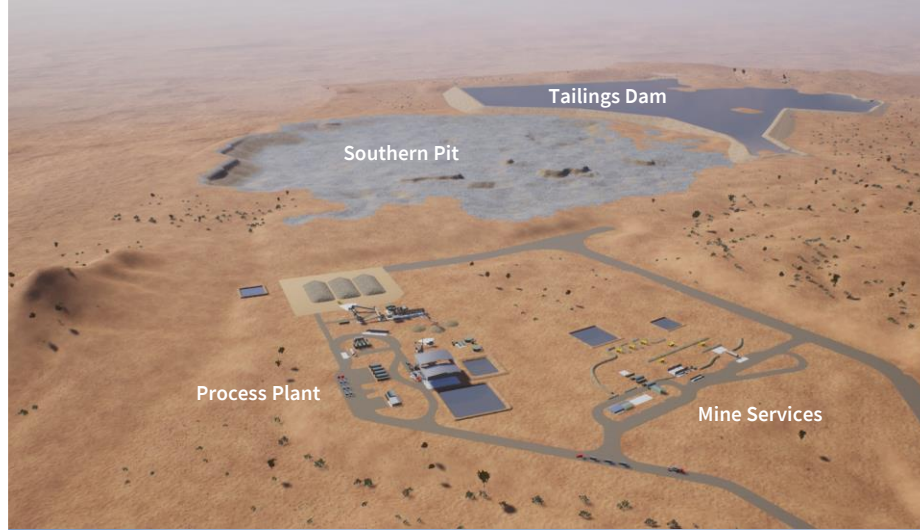


- Centrex holds two granted exploration licenses surrounding its Ardmore Mining Lease
- A further application for exploration license has been pegged to the north with significant areas of mapped outcropping Beetle Creek Formation, the host to Ardmore phosphate mineralization
- Wide spaced (circa 5km) historic drilling identified intersections of phosphorite at varying depths
- Centrex will explore for high-grade phosphate within fault block uplifts similar to Ardmore between the wide spaced drilling

Mineral Processing

- Centrex completed crushing and beneficiation piloting using PQ diamond drilling and trench excavation bulk samples
- Piloting produced a 35% P₂O₅ concentrate with <2ppm cadmium
- Additional feasibility level test work for materials handling, filtration & thickening and tailings characterization
- GR Engineering Services (“GRES”) designed a circuit capable of producing 800,000 wet tonnes per annum of concentrate at 3% moisture
- Nominal plant feed rate of 133 tonne per hour





Logistics

- Product trucked in containers using triple road trains on existing roads to a new rail siding at Duchess
- Product railed in containers using flatbed wagons on existing Mount Isa rail line to the Port of Townsville
- Containers stored in existing container yards or emptied into new third party 70,000 tonne shed
- Ship loading using either existing rotainer cranes or mobile bulk shiploader
- Proposals received from multiple operators with Centrex progressing towards appointing preferred contractor



Other Projects

Oxley Potassium Deposit

- 32km striking globally rare ultrapotassic lava flow
- Dominantly composed of potassium feldspar
- Outcropping and shallow dipping meaning simple open cut mining
- Current 155 million tonne Inferred Resource at 8.3% K_2O (6% K_2O cut-off) over just 3km section of deposit
- Inferred Resource includes 38 million tonne at 10% K_2O (9% K_2O cut-off)
- Rock chips over entire 32km length shows consistent high potassium grades up to 14% K_2O



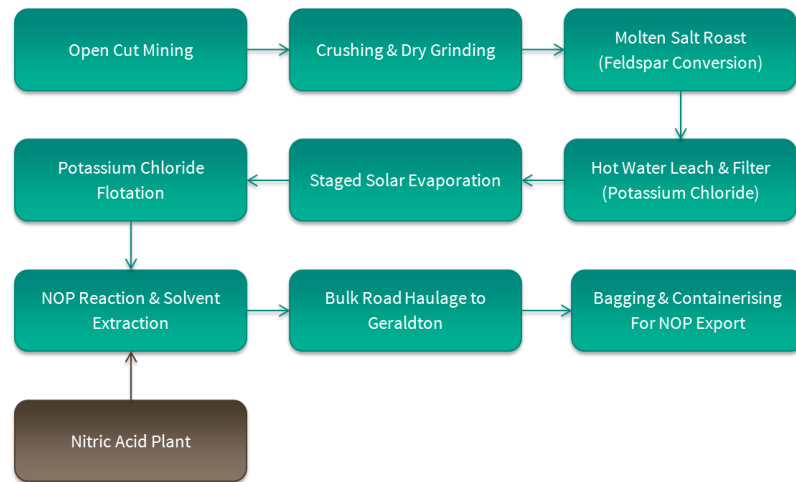
For full details of the Inferred Mineral Resource please see announcement 8th March 2016:

<http://www.asx.com.au/asxpdf/20160308/pdf/435nrchjm48mjm.pdf>

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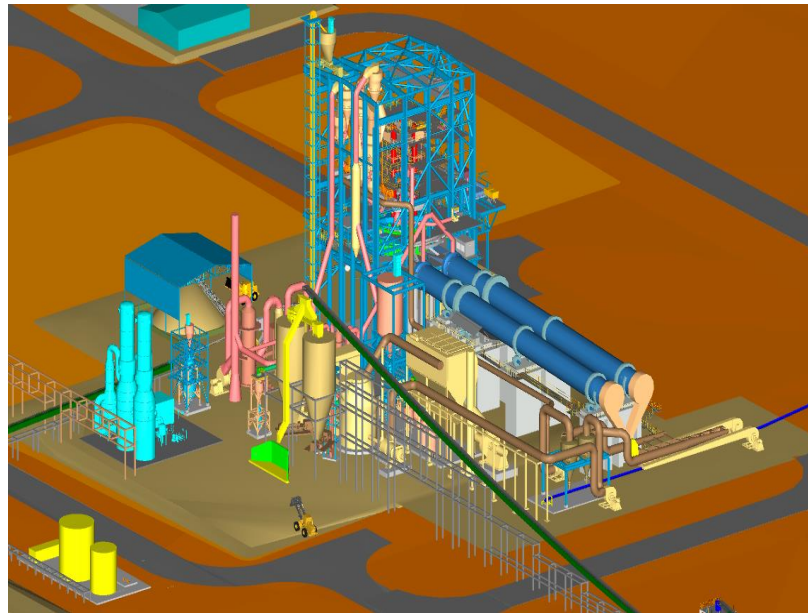
Oxley Scoping Study Basis

- Start-up primary producer potassium nitrate (“NOP”) operation
- Ultrapotassic lava mined open cut in a series of shallow to selectively mine higher grade with small fleet 90 tonne trucks
- Crush & dry grind ore to P80 150µm
- Blend ore with salt and roast to convert to soluble potassium chloride (“MOP”)
- Hot water leach (order of magnitude higher potassium than natural brines) and filter
- Solar evaporation to crystallise and float potassium chloride
- Reacted with nitric acid produced on site to make NOP

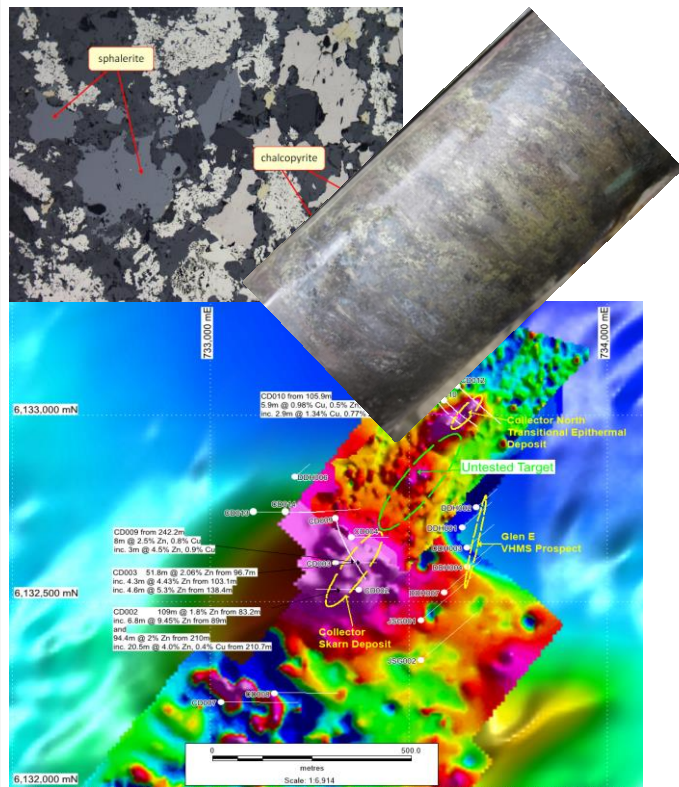


Oxley Progression

- Recent test work in China showed ability to use an electric arc furnace with direct discharge into rotary coolers
- WorleyParsons have completed updated designs taking the latest test work into account and are updating project cost estimates
- Centrex will seek strategic partner to aid further development of the project
- Upside opportunity for Centrex



Goulburn Zinc Project



- Located in the East Lachlan Fold Belt with existing skarn and VHMS mineralisation intersected 10km north of the Woodlawn mine in the same host geology
- Drill ready DHEM targets from 250m depth proximal to existing massive sulphides at Collector
- 3 existing projects with significant zinc and copper drilling intercepts including the discovery hole DDH C2;
 - 25.2m at 4.1% Zn, 0.8% Cu, 0.1% Pb from 86m depth (inc. 6.3m @ 9.9% Zn, 0.7% Cu)
 - 25.2m at 3.3% Zn, 0.2% Cu from 113m depth (inc. 3.8m @ 6.7% Zn, 0.3% Cu, 0.1% Pb)
 - 35.2m at 2.3% Zn, 0.3% Cu from 141m depth (inc. 7.6m @ 4.6% Zn, 0.2% Cu, 0.1% Pb)
 - 20.4m at 3.9% Zn, 0.4% Cu, 0.5% Pb from 211m depth

For full details of the DDH C2 drilling results see announcement 17th June 2014;

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

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Summary

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- High-grade Queensland phosphate rock project DFS completed with unleveraged nominal pre-tax NPV₁₀ of A\$172 million and internal rate of return of 40%
- Low A\$ 77 million pre-production capital project with a short 4 year payback period
- Fabrication of start-up plant commenced with mining scheduled for Q1 2019
- First concentrate and shipments in 2019 as a precursor to long term offtake underpinning project financing
- Full-scale production targeted for 2021
- Exploration upside with adjacent tenements
- Seeking strategic partner for large-scale potassium nitrate project held in Western Australia
- Further synergistic acquisitions being considered



COMPETANT PERSON STATEMENT



The information in this report relating to Mineral Resources is based on and accurately reflects information compiled by Mr Jeremy Clark of RPM, who is a consultant and adviser to Centrex Metals Limited and who is a Member of the Australian Institute of Geoscientists. Mr Clark has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Clark consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Ben Brown, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Ben Brown is employed by Optima Consulting and Contracting Pty Ltd, an external independent consultancy. Ben Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. Ben Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

FORWARD LOOKING STATEMENTS



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