


CENTREX METALS
LIMITED

WWW.CENTREXMETALS.COM.AU

Annual Report 2019

ASX : **CXM**

Page intentionally left blank

Contents

Chairman's Report

On behalf of the Centrex Board, I am pleased to present the Company's Annual Report for financial year 2019, a period in which solid progress was made towards establishing ourselves as a supplier of premium quality fertiliser products through the development of our flagship Ardmore Phosphate Rock Project near Mount Isa.

The Ardmore Definitive Feasibility Study, delivered in October last year, confirmed our belief in the Project's ability to generate attractive returns for shareholders. The economics were subsequently improved in February when optimisation studies were completed with significant capital and operating cost savings. As a result, it is with increased confidence that we have moved forward with preparations for the start-up operation at Ardmore which along with a current fundraising program will enable trial mining to commence and subsequently the plant to be commissioned later this year.

The importance of the start-up phase can't be underestimated. Not only will the process see Ardmore significantly de-risked from a technical perspective, it will produce trial shipments for potential customers to verify the premium nature of the product. Upon completion of the trial we expect to secure long-term offtake contracts that will be critical to full-scale project financing. The management team has done well to lock in contracts for two 5,000 tonne trial shipments and they continue to work on placing product from the start-up operation with other target customers in the region.

In regards to short and long term project financing, we are assessing all available options to deliver increased shareholder value and facilitate the systematic and prudent development of Ardmore. This has included exploring Ardmore's eligibility for funding through the Northern Australian Infrastructure Facility (NAIF), an Australian government initiative providing access to up to $5 billion in debt finance, potentially on concessional terms, for projects that foster infrastructure development in northern Australia. Following a strategic assessment, Ardmore has progressed to the Due Diligence stage of the NAIF process.

While our focus is sharply on Ardmore, the Company continues to monitor for complementary acquisition opportunities that possess similar potential to create significant value for shareholders. We also continue to explore options for unlocking value from the other assets within our portfolio, including the Oxley Potassium Nitrate Project in Western Australia. Securing a strategic partner to aid in developing Oxley remains an important near-term goal.

During the year, there was a baton change within the ranks, with Ben Hammond stepping down as Managing Director and CEO to be replaced as CEO by Simon Slesarewich. Ben was instrumental in steering Centrex's shift from iron ore into fertilisers and the Board thanks him wholeheartedly for his 11 years of service. In Simon, we believe we have found an extremely capable leader and the right person to take Ardmore through to production.

We look forward to keeping you updated over the coming 12 months.

David Klingberg AO FTSE

Non-Executive Chairman

Chief Executive Officer's Report

Chief among my reasons for joining Centrex earlier this year was the opportunity to be involved with the Ardmore Phosphate Rock project (Ardmore or the Project), one of the few undeveloped high grade deposits remaining in the world. A few months on – and within sight of commissioning the start-up operation – my view that Ardmore will become an important source of premium feed of phosphate rock for fertiliser producers in the Asia Pacific region, in the process delivering strong returns for shareholders, has only strengthened.

Ardmore is an attractive development proposition for a host of reasons: the deposit is shallow in nature and lends itself to low-cost "free dig" open cut; simple processing produces a premium phosphate rock concentrate that is in high demand globally; the project is well serviced by existing infrastructure; its proximity to key markets delivers a major freight cost advantage and is located on a granted mining lease.

With these factors in mind, it is not surprising that the Definitive Feasibility Study ("DFS") delivered a robust set of numbers that we were then able to improve upon through optimisation work in February 2019.

The Company has a clear strategy to realise the value highlighted in the DFS by; successfully completing the trial mine and supplying high grade concentrate to priority customers, negotiate long term offtake agreements with those same customers; complete financing and then move into development, followed by production and cash flow. By following this clear plan, we expect to deliver value to shareholders and other stakeholders in the Project.

It can be argued that few undeveloped phosphate projects enjoy the quality that Ardmore is blessed with. In saying this the Company has clearly identified that offtake and therefore customer relations is integral to our success. Our target markets in the Asia-Pacific region are forecast to see further population growth, that should in turn translate to an increased need for high grade and clean fertiliser inputs, such as that at Ardmore. We have had initial success in establishing lasting relationships with priority customers. In the coming year/s we will continue to work diligently with those and other potential customers, as we clearly understand that our success is linked with that of our customers.

The Queensland Government has to date been very supportive of our efforts to bring Ardmore into production and of resources development in the North West Minerals Province. Ardmore will benefit from the $380 million commitment, over five years to upgrade the Mount Isa to Townsville rail line, as well as the $20 million below rail subsidy. These two initiatives are coupled with the $30 million contribution to a new container terminal at the Port of Townsville, which offers additional optionality. The Ardmore development is likely to benefit from all of these announcements.

There remains scope to increase Ardmore's mine life through the conversion of Resources to Reserves, and we are developing a pipeline of phosphate exploration projects in the Georgina Basin. Prospective areas directly north of Ardmore have already been secured, and initial on-ground exploration has commenced. Granting of the Wiso Basin tenements in the Northern Territory is evidence that the Company is delivering on its strategy of developing a pipeline of attractive phosphate assets. The Company will continue to look for opportunities to build out this pipeline in the coming year/s.

Further, the Company is unlocking value in its other assets as evidenced by the sale of the Wilgerup and Kimba Gap iron ore projects to OneSteel Manufacturing, as well as the land sale at Port Spencer.

The following sections detail progress of the projects within Centrex's portfolio during the financial year.

ARDMORE PHOSPHATE ROCK PROJECT, QLD

Ardmore in North West Queensland is one of the few remaining undeveloped high-grade phosphate projects in the world. Ardmore has the ability to produce a premium grade phosphate rock concentrate with ultra-low cadmium levels to supply the growing fertiliser market in the Asia Pacific region. The project is well located with excellent access to existing road, rail and port infrastructure. The shallow nature of the deposit enables a very simple and relatively low cost mining and processing operation to be employed.

During the year Centrex announced Definitive Feasibility Study (DFS) results and a maiden Ore Reserve for the Ardmore Project highlighting the excellent economics supporting project development. Post release of the DFS, the Company continued to investigate cost saving opportunities through improved mining and processing methods which led to an Optimised DFS being completed. The optimised DFS improved the pre-tax NPV of the Ardmore project by 56% to **A$269 million**. The ungeared pre-tax IRR improved to **63%** and project pay back has been reduced to **1.8 years**, down from 4 years.

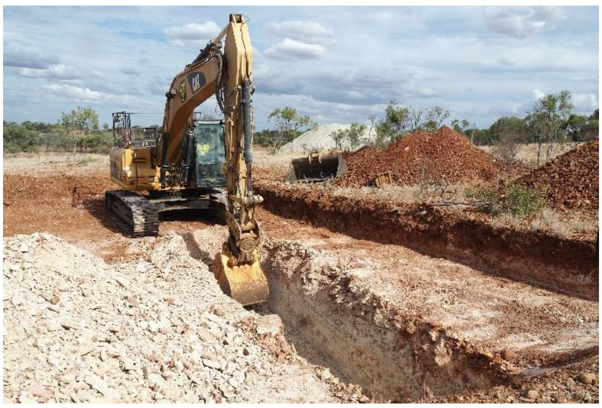
The announcement in relation to the Optimised DFS was made on 28 February 2019 and can be found at:

https://www.asx.com.au/asxpdf/20190228/pdf/44324whvq94dq6.pdf

During FY2018 the Company released an estimate of defined total Mineral Resources of 16.2 million tonnes at 27.8% P_2O_5 using a 16% P_2O_5 cut-off. In FY2019 the Company released a maiden Ore Reserve of 10.1 million tonnes at 30.2% P_2O_5 of high-grade phosphate rock ore which supports a minimum 10 year project life. There remains significant upside to project life as the Ore Reserve is contained within the existing 16.2 million tonne Mineral Resource, with an additional 339km^2 of prospective exploration leases.

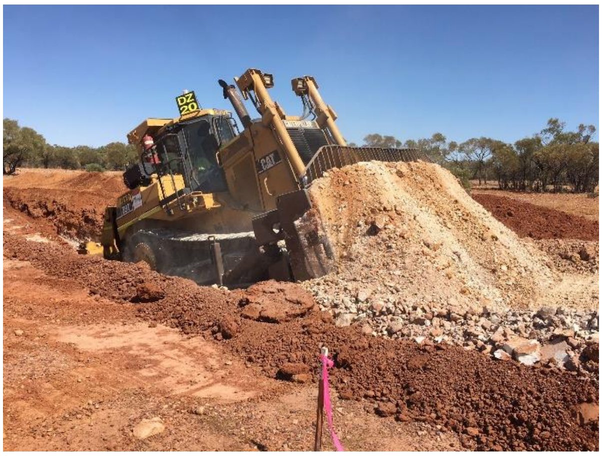
The announcement in relation to the Maiden Ore Reserve was made 8 October 2018 and can be found at:

https://www.asx.com.au/asxpdf/20181008/pdf/43z1q8nvm95k58.pdf



CAPTION: Excavator "free-digging" near surface phosphate rock at Ardmore for bulk samples.

The image above clearly shows that orebody (lighter coloured material) at Ardmore is very near to the surface, the overlying material is very weak low-density shale. Successful dozer stripping trials were completed in February 2018 demonstrating not only there being no requirement for blasting, but ripping was also not required. This provides the potential to strip mine the deposit using a relatively low-cost open cut-mining option which would see waste material progressively placed in mined out voids as part of the normal mining operation, therefore reducing the amount of double handling of material and meeting the highest standards of progressive rehabilitation.



CAPTION: D9 dozer undertaking trial stripping of shale overburden at Ardmore.

The optimised DFS completed in February 2019 incorporated successful bench scale test work showing the ability to produce a premium-grade ~35% P_2O_5 concentrate with ultra-low cadmium levels by a simple crushing, attritioning and desliming circuit. The study provided for the concentrate to be transported 90km along existing roads to the existing Mount Isa-Townsville rail line at Duchess, for rail into the Port of Townsville. Road, rail and storage in containers was the preferred option given the low capital investment. The Company is actively investigating more efficient bulk logistics solutions that have the potential to decrease costs throughout the logistics chain. Logistics is the largest operating cost at Ardmore and any further refinement from the Optimised DFS has the potential to materially impact the Project's economics.

In early July 2018 a product trial was conducted by US phosphate fertiliser specialists KemWorks on Ardmore phosphate concentrate. Results of this 72-hour pilot run confirmed the Ardmore phosphate rock concentrate was of high quality, showing an excellent 98% P_2O_5 recovery, relatively low sulphuric acid consumption, good filtration, little scaling or corrosion and a low minor element ratio in the phosphoric acid product. KemWorks also undertook fertiliser conversion test work on the concentrate for single superphosphate production. Test work for both products showed excellent results due to the high quality of the Ardmore concentrate.

Following the successful completion of product testing and the sale of 400 tonnes of trial product to two customers in FY2018, the Company secured two sales contracts for 5,000 wet tonnes of Ardmore phosphate rock concentrate during FY2019. The trial shipments will be integral in validating the premium product from Ardmore and securing long term offtake contracts which will underpin the financing of the project for full scale operations. The Company continues discussions with a select number of other potential long-term offtake customers in relation to taking trial shipments with a view to targeting up to 30,000 wet tonnes of concentrate from the start-up operation anticipated to commence later in 2019.

CAPTION: Ardmore run of mine ore SSP (Single Super Phosphate) trial

Traded phosphate rock benchmarks range from 27-34% P_2O_5; Ardmore concentrate sits above the top end of this range at around 35%. It also contains very low levels of cadmium, a toxic heavy metal that occurs naturally in phosphate rock fertilisers. Cadmium is becoming a major issue for the fertiliser industry worldwide, with the European Union imposing limits on levels contained in imported phosphate rock to protect its constituents from adverse health effects. Coupled with our location and low political risk, compared to our competitors, we believe that concentrate from Ardmore is attractive to our target markets in the Asia-Pacific region.

Our target markets in the Asia-Pacific region, including India, Indonesia, New Zealand and Australia, currently consume about 12 million tonnes of phosphate rock a year, primarily supplied by North African countries such as Morocco and Jordan in the Middle East. Annual demand in the region is forecast to grow by 5-7 million tonnes over the next five years, providing significant scope for new market entrants.

CAPTION: Aerial photograph of site civil works at Ardmore in preparation for plant installation, ROM and concentrate drying pads.

The Company was pleased to recently announce that site works commenced at Ardmore after receipt of the modular start-up plant. The start-up plant has been shipped to site and erection is nearing completion. The modular 70tph start-up plant is readily upgradable to 140tph for the full-scale operations designed at 800,000 wet tonnes per annum.

The Company is currently progressing all other required activities to advance the Ardmore project including arranging logistics, contracting, financing and other operational activities so as to commence mining and processing in 2019.

CAPTION: Processing Plant Installation at Ardmore

PHOSPHATE ROCK MARKET

Phosphate rock price forecasts sourced from market research specialist CRU indicate positive real term growth in the global market over the life of project, with increasing premiums for high-grade product due to limited supply in the segment. CRU has forecast phosphate rock prices to continue rising until 2023 as supply begins to tighten and production costs increase in China due to implementation of new environmental management practices.

Centrex believes the upside in premium grade phosphate rock supply is supported, with customers ceasing to purchase Morocco's premium grade rock from its mines in the disputed Western Sahara region. Supply from this region is the dominant source of premium grade rock to the local Australian and New Zealand market. The toxic heavy metal cadmium is also becoming an increasing focus for the industry, with the proposed tightening of allowable import limits in Europe. This is likely to spread to other markets that Centrex is focussing on. Ardmore has ultra-low cadmium levels unlike competing premium grade rocks currently being imported by the local markets, providing further price upside if industry cadmium restrictions tighten.

OXLEY POTASSIUM NITRATE PROJECT, WA

The Oxley Project, around 125km from the Port of Geraldton in Western Australia, focuses on the development of a globally rare 32km long outcropping ultrapotassic lava flow for the production of high value fertiliser. The lava flow is predominantly comprised of potassium feldspar.

The key process technology for the project is the conversion of the potassium feldspar to soluble potassium chloride (potash) via roasting with salt, for subsequent water leaching, and purification. The potash is then reacted with nitric acid produced ultimately from local West Australian gas feedstock, to produce potassium nitrate, a high-value horticultural fertiliser. Centrex previously announced it had completed a positive Scoping Study for the project and has since continued to refine the project design through test work and engineering design, from a range of possible process solutions and equipment.

Given the very significant potential scale of Oxley, Centrex will continue to seek strategic partners to aid in developing the project further while it focuses on bringing Ardmore into production.

GOULBURN ZINC PROJECT, NSW

No on-ground exploration was undertaken during the year on the Goulburn Zinc Project ("Goulburn"). The Company continues to evaluate strategic options in relation to this project to realise value for shareholders.

SOUTH AUSTRALIA LAND SALE

During the year the Company announced the sale of a non-core land holding at Port Spencer in South Australia. This land sale completed the Company's exit of its iron ore interests and provided additional funding to support the ongoing development of the Company's Ardmore phosphate rock project.

I look forward to updating shareholders as we progressively de-risk our flagship Ardmore phosphate project and move your Company towards development and sustainable cash flow.

Mr Simon Slesarewich

Chief Executive Officer

Mining Exploration Entity Annual Reporting Requirements

LIST OF TENEMENTS IN WHICH THE GROUP HAS AN INTEREST

TENEMENT LIST				AS AT 30TH JUNE 2019
Location	Licence number	Description	Held by:	Interest %
Queensland	ML 5542	Ardmore Phosphate Rock Project	CPhos[1]	100
	EPM 26551	Ardmore EPM 26551	CPhos[1]	100
	EPM 26568	Ardmore EPM 26568	CPhos[1]	100
	EPM 26841	Ardmore EPM 26841	CPhos[1]	100
Western Australia	E70/3777	Oxley A	CPot[2]	100
	E70/4004	Oxley B	CPot[2]	100
	E70/4318	Oxley C	CPot[2]	100
	E70/4319	Oxley D	CPot[2]	100
	E70/4320	Oxley E	CPot[2]	100
	E70/4378	Oxley F	CPot[2]	100
	E70/4729	Oxley G	CPot[2]	100
New South Wales	EL 7388	Goulburn	LM[3]	100
	EL 7503	Archer	LM[3]	100
Northern Territory	ELA 32048	Northern Territory ELA 32048	CQld[4]	Application
	ELA 32082	Northern Territory ELA 32082	CQld[4]	Application
	ELA 32091	Northern Territory ELA 32091	CQld[4]	Application

Wholly owned subsidiary of Centrex Metals Limited:

[1] Centrex Phosphate Pty Ltd
[2] Centrex Potash Pty Ltd
[3] Lachlan Metals Pty Ltd
[4] Centrex QLD Exploration Pty Ltd – EL 32082 and EL 32091 granted on 23rd August 2019

ANNUAL REVIEW OF MINERAL RESOURCES AND ORE RESERVES

The information included in the tables below was prepared in accordance with JORC Code 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in the table and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.

POTASSIUM ORE MINERAL RESOURCES BY AREA — AS AT 30TH JUNE 2019

Location	Resource Classification	Tonnage (Mt)	Head Grade	
			K_2O (%)	Cut-off grade K_2O (%)
Oxley Potassium Project	Measured	-	-	-
	Indicated	-	-	-
	Inferred	154.7	8.3	6.0
	Total	**154.7**	**8.3**	**6.0**

PHOSPHATE ORE MINERAL RESOURCES BY AREA — AS AT 30TH JUNE 2019

Location	Resource Classification	Tonnage (Mt)	Head Grade	
			P_2O_5 (%)	Cut-off grade P_2O_5 (%)
Ardmore Phosphate Rock Project	Measured	3.3	29.8	16.0
	Indicated	11.1	27.4	16.0
	Inferred	1.7	26.8	16.0
	Total	**16.2***	**27.8**	**16.0**

* Totals may not add precisely due to rounding.

PHOSPHATE ORE RESERVE ESTIMATE — AS AT 30TH JUNE 2019

Ore Reserve Category	Tonnage (Mt)	P_2O_5 (%)
Probable	7.3	30.2
Proven	2.8	30.3
Total Ore Reserves	**10.1**	**30.2**

COMPARISON OF ANNUAL MINERAL RESERVES AND RESOURCES STATEMENT TO THE PRIOR YEAR

The table below summarises the changes that took place as far as the Group's mineral resources and reserves are concerned. The information contained in this table should be read in conjunction with the detailed resource and reserve information provided above.

Location	Resource or Reserve	Tonnage (Mt)		Notation
		30/6/2018	30/6/2019	
Magnetite (iron)				
Total Fusion Area	Resource	969.4	-	Various contractual conditions were satisfied during the period resulting in the rights to all of the iron resources being transferred to third parties during the financial year ending 30th June 2019.
Carrow	Resource	159.2	-	
Greenpatch	Resource	54.8	-	
Kimba Gap	Resource	487.1	-	
Hematite (iron)				
Wilgerup	Resource	14.1	-	
Potassium				
Oxley	Resource	154.7	154.7	No change.
Phosphate				
Ardmore	Resource	16.2	16.2	No change.
Ardmore	Reserve	-	10.1	Maiden Ore Reserve declared 8th October 2018.

SUMMARY OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS IN PLACE FOR THE REPORTING OF MINERAL RESOURCES AND ORE RESERVES

Mineral Resources and Ore Reserves are estimated by suitably qualified consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation are then reviewed by suitably qualified Competent Persons from the Company.

All Ore Reserve estimates are prepared in conjunction with feasibility studies which consider all material factors.

The Mineral Resources and Ore Reserves Statements included in the Annual Report are reviewed by suitably qualified Competent Persons from the Company prior to its inclusion.

CROSS REFERENCING OF THE RESOURCES ANNOUNCMENTS

For more detail regarding the Oxley resources please see the announcement of 8th March 2016.

http://www.asx.com.au/asxpdf/20160308/pdf/435nrchjm48mjx.pdf

For more detail regarding the Ardmore resources please see the announcement of 1st June 2018.

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

For more detail regarding the Ardmore reserves please see the announcement of 8th October 2018.

https://www.asx.com.au/asxpdf/20181008/pdf/43z1q8nvm95k58.pdf

COMPETENT PERSONS STATEMENT

The information in this report relating to Exploration Results (contained in the CEO's report) is based on information either compiled or reviewed by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is the General Manager Exploration of Centrex Metals Limited. Mr Watts has sufficient experience, which is relevant to the style of mineralization 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 Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to the Mineral Resources of the Oxley Potassium Project is based on and accurately reflects information compiled by Ms Sharron Sylvester of OreWin Pty Ltd, who is a consultant and adviser to Centrex Metals Limited and who is a Member of the Australian Institute of Geoscientists (RPGeo). Ms Sylvester has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity she 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". Ms Sylvester 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 relating to Mineral Resources of the Ardmore Phosphate Rock Project 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 and AusIMM. 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 Mr 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.

Directors' Report

For the Year Ended 30th June 2019

The Directors present their report together with the consolidated financial report of Centrex Metals Limited ("Company") and its controlled entities ("Group"), for the financial year ended 30th June 2019 and the auditor's report thereon.

1. Directors and the Company Secretary

1.1 Directors

The directors in office at any time during or since the end of the financial year are:

Name and Qualifications	Position, Experience and special responsibilities
Mr David Klingberg AO FTSE, D UniSA, B.Tech, FIE Aust, FAus IMM, FAICD, KGSJ Appointed 19/4/05 Chairman since 15/1/10	Independent Non-Executive Chairman Mr Klingberg has 35 years' experience as a professional engineer with Kinhill Limited including previously spending 10 years as CEO managing professional engineering services to resource developments and other industries. He has extensive experience in the mining industry and Project Manager for the Windarra Nickel project for Poseidon Ltd and was responsible for significant projects for Western Mining Corporation and CRA Limited. He was also a director of the engineering joint venture overseeing the Lihir Gold Project. Mr Klingberg is a former Chancellor of the University of South Australia, retiring in 2008 after holding the position for 10 years. He was formerly the Chairman of Barossa Infrastructure Limited and the Premier's Climate Change Council. Previous directorships include Codan Limited (ASX: CDA), E&A Limited (ASX: EAL) and Snowy Hydro Limited as well as a member of the State Government Boards of Renewables SA and Invest in SA. He is currently a director of Litigation Lending Services Limited. Mr Klingberg is a member of the Company's Audit and Risk Management Committee and the Remuneration and Nomination Committee.
Mr Jim Hazel BEc, SF Fin, FAICD Appointed 12/7/10	Independent Non-Executive Director Mr Hazel has had an extensive career in banking and investment banking, including as Chief General Manager of Adelaide Bank Ltd and was formerly managing director of an ASX listed retirement village and aged care operation. He is now a professional public company director and is currently a Director of Bendigo and Adelaide Bank Limited (ASX: BEN), Coopers Brewery Limited and Ingenia Communities Group (ASX: INA, Chairman). He is formerly a director of Impedimed Limited (ASX: IPD). Mr. Hazel is Deputy Chairman of the Company and chairs the Company's Audit and Risk Management Committee and the Remuneration and Nomination Committee.
Mr Graham Chrisp B Tech (CE) Appointed 21/1/10	Non-Executive Director Mr Chrisp has a degree in Civil Engineering and has substantial experience in numerous aspects of business operations, including design and construction of roads and other earthworks, mineral exploration and property development. Having previously been an owner and operator of earth moving equipment for mining and civil applications, Mr Chrisp has practical experience with modest scale mining operations, including several of his own developments. He was a founding director of Centrex Metals Limited (having previously served as its Managing Director from 2003 to 2005) and has numerous private interests. Mr Chrisp's son Jason is a trustee of the Chrisp CXM Family Trust which is, with Bailey Ingham Trustees Limited, the largest shareholder in the Company. Accordingly, Mr Chrisp is not considered to be "independent" for the purposes of the Company's corporate governance policies. Mr Chrisp is a member of the Company's Remuneration and Nomination Committee.

1.1 Directors (continued)

The directors in office at any time during or since the end of the financial year are (continued):

Name and Qualifications	Position, Experience and special responsibilities
Mr Kiat Poh CDipAF, GDip MS, Dip CE Appointed 21/5/08	<u>Independent Non-Executive Director</u> Mr Poh has over 30 years' experience at senior management level in the construction, quarrying, real estate development, manufacturing industries and financial markets. He has also held senior positions in corporate finance and mezzanine capital investment companies in Malaysia specialising in investments, mergers and acquisitions as well as financial instruments for fund-raising. From 1998 to 2005, he was Managing Director of a Singapore Exchange listed company and since 2005, Mr Poh has managed an investment advisory company in Singapore that focuses on participating in strategic stakes in listed companies. He is also a director of SML Corporation Limited (ASX: SOP). Mr Poh is a member of the Company's Audit and Risk Management Committee.
Mr Chris Indermaur BEng (Mech), GDipEng (Chem), LLB, LLM, GDLP Appointed 1/7/17	<u>Independent Non-Executive Director</u> Mr Indermaur has over 40 years' experience in large Australian companies in engineering and commercial roles. His significant technical and commercial experience extends to downstream mining-related industrial facilities including fertiliser plants. Mr Indermaur is currently a Director of Austin Engineering Limited (ASX: ANG) and Austal Limited (ASX:ASB). Mr Indermaur was previously Non-Executive Chairman of Poseidon Nickel Limited (ASX:POS) and Medibio Limited (ASX:MEB). He was formerly the Engineering and Contracts Manager for the QNI Nickel Refinery at Yabulu, Company Secretary for Queensland Alumina Limited and General Manager for Strategy and Development at Alinta Limited. In his earlier career Mr Indermaur worked at Wesfarmers chemical and fertiliser subsidiary CSBP for ten years where he held engineering and production roles.
Mr Jason Chrisp BA(Acc), DBAC Appointed 23/7/19	<u>Non-executive Alternate Director to Mr Graham Chrisp</u> Mr Jason Chrisp has experience based on a background in accountancy and numerous aspects of business from working in the mineral exploration and land development fields for over 10 years. He is also proficient in computing, analysis and project management. Mr Chrisp has previously served on the board of ASX-listed company Outback Metals Ltd and is also a private company director. Mr Chrisp is a trustee of the Chrisp CXM Family Trust which is, with Bailey Ingham Trustees Limited, the largest shareholder in the Company. Accordingly, Mr Chrisp is not considered to be "independent" for the purposes of the Company's corporate governance policies.
Mr Ben Hammond BSc (Geol), MBA, FAusIMM, GAICD Appointed 17/10/17 Retired 8/2/19	<u>Managing Director & Chief Executive Officer</u> Mr Hammond holds a degree in Geology as well as an MBA. He has spent his career in bulk commodities with Centrex Metals, Illawarra Coal and BHP Billiton Iron Ore. His roles have spanned business development, project management, business improvement, mine geology and exploration. His operational experience extends beyond mining having also worked in ports, rail and maintenance. In 2012 Mr Hammond became a member of the Australian Institute of Company Directors. He played a key role in marketing and negotiation of previous major international joint ventures completed by the Company, including setting up and running a Chinese/Australian iron ore joint venture company. Originally joining Centrex in 2007, he was appointed CEO in June 2013 and Managing Director in October 2017 then retired as a director in February 2019 and ceased employment as CEO on 30 April 2019.

1.2 Company Secretaries

Company Secretaries

Ms Christine Manuel, BMus, Grad Dip (Applied Corporate Governance), Dip Inv Rel (Investor Relations), Dip CD (Corporate Director), FGIA, FCIS, MAICD, MAITD, AAIPM, was appointed as Company Secretary on 10th May 2019. Ms Manuel is a Chartered Secretary with over 20 years' company secretarial experience. She is a non-executive director and SA/NT State Council Chair of the Governance Institute of Australia.

The Chief Financial Officer, Mr Mark Terry, commenced employment on 27th August 2018 and was appointed Company Secretary on 31st October 2018. Further details of his qualifications and experience are provided in the next section of this report.

Mr Stephane Gauducheau, LLB, GDLP, Maîtrise de Droit, was Company Secretary from 4th January 2019 to 10th May 2019. Mr Gauducheau is a commercial and corporate lawyer with more than 10 years' company secretarial experience, predominantly in the mining and resources industry.

Ms Leanne Ralph BBus, Grad Dip ACG, FGIA, GAICD was Company Secretary from 28th June 2018 to 4th January 2019. Ms Ralph has over 15 years' company secretarial experience and provided her service to the Company through BoardRoom Pty Limited.

The outgoing Company Secretary and Chief Financial Officer, Mr Gavin Bosch joined the Company in January 2008 and was appointed Company Secretary on 2nd May 2008. He ceased employment on 28th September 2018.

2. Executives considered to be Key Management Personnel

The executives considered to be Key Management Personnel in office at any time during or since the end of the financial year are:

Mr Simon Slesarewich, Chief Executive Officer ("CEO")

BEng(Mining), Grad Dip(Business Administration), Grad Dip(Applied Finance and Investment)

Mr Slesarewich was appointed CEO on 3rd April 2019. He is a highly experienced mining executive with a proven track record in large-scale mining project delivery and operations. Prior to joining Centrex, Mr Slesarewich was CEO and Managing Director of ASX-listed Metallica Minerals. His 20-plus years of experience also includes leadership roles with other minerals and energy sector firms such as Larkham Resources (GNRI portfolio company), Middlemount Coal where he was responsible for the successful development (Capex of A$500m) of a large integrated coking coal mine and Boardwalk Resources which was successfully divested for A$300m to Whitehaven Coal as part of a large A$5.2bn transaction.

Mr Slesarewich is known for his strong commercial acumen and extensive experience across all areas of mining operations, enabling him to grow the scale and scope of businesses comprehensively in order to maximise shareholder value.

Mr Slesarewich was previously a director of the Queensland Resources Council and also served on the management committee of the Queensland Exploration Council.

Mr Mark Terry, Chief Financial Officer ("CFO")

BCom, CPA

Mr Mark Terry commenced as Chief Financial Officer on 27th August 2018. He is a CPA with more than 25 years' experience in the management of financial, commercial and legal matters in the mineral exploration and mining industry. Mr Terry commenced his career with KPMG before holding a range of senior finance positions with Normandy Mining, Newmont Australia and Xstrata Zinc where he was Finance and Commercial Manager for Australian Operations. Mr Terry later held the role of CFO of Terramin Australia Limited before providing consulting services in senior finance and project roles with Havilah Resources and Rex Minerals. Most recently, he was CFO of Leigh Creek Energy Limited.

Mr Alastair Watts, General Manager, Exploration

BSc(Geo), DipBs(Front Line Management), MAusIMM

Mr Alastair Watts, appointed 15th March 2007, is a geologist with over 25 years' experience in exploration, mining and project development. He has extensive gold, iron ore and phosphate mining experience as well as a successful history of mineral discovery and development. The technical expertise gained at the Phosphate Hill mine provided significant exposure to the fertiliser market to complement Centrex's development of the Ardmore Phosphate Rock Project. A broad technical knowledge of exploration has been gained from base metal and gold projects in the Lachlan Fold Belt of New South Wales, the eastern goldfields of Western Australia, the Drummond Basin in north Queensland and nickel laterite deposits in Indonesia. He has held previous positions in both major resources houses, and mid-tier and junior operators. His roles have spanned mining, quality control and project management.

Mr Steve Klose, General Manager, Projects

BEng (Minerals Engineering), MSc (Project Management)

Mr Steve Klose was appointed on 12th August 2016 on a permanent basis having commenced initially on a short-term contract in June 2016.

Mr Klose is a project manager with over 25 years of experience in project management and process engineering within the mining industry. He has extensive experience in iron ore, copper, gold and nickel within Australia, Indonesia, South Africa, Chile and Peru. His experience includes roles both in engineering and operations that have encompassed the entire project lifecycle from study to execution including detailed design, construction, commissioning and operations.

Mr Gérard Bosch, Manager Approvals & Stakeholder Relations

Bsc(Geol)(Hons), FAusIMM

Mr Gérard Bosch was appointed to the role on 27th February 2018. Mr Bosch is a geologist with over 37 years working in Australian mineral exploration, discovery and development. He has held previous positions in BP Minerals, North Flinders Mines, Normandy Mining, Australian Zircon and Eyre Iron. Mr Bosch has particular experience in the pre-development phase of mining operations, including statutory approvals and land access, and has broad experience in the management of exploration.

Mr Gavin Bosch, Chief Financial Officer

Mr Gavin Bosch joined the Company in January 2008 and ceased employment on 28th September 2018.

3. Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Group during the year ended 30th June 2019 was:

	Board Meetings *		Audit and Risk Management Committee Meetings		Remuneration and Nomination Committee	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Mr D Klingberg AO	13	13	3	3	2	2
Mr B Hammond	6	6	-	-	-	-
Mr K Poh	12	10	3	2	-	-
Mr G Chrisp	13	13	-	-	2	2
Mr J Hazel	12	11	3	3	2	2
Mr C Indermaur	13	12	-	-	-	-

* One meeting of an ad hoc Board Sub-Committee was held in addition to 12 Board meetings. Committee members were Mr Klingberg, Mr Chrisp and Mr Indermaur.

4. Corporate Governance Statement

The Board is committed to the principles underpinning best practice in corporate governance. The Company must comply with the ASX Listing Rules which require it to report annually on the extent to which it complied with the Corporate Governance Principles and Recommendations 3rd Edition ("Principles") as published by the ASX Corporate Governance Council. The Board believes that the Company has complied with the Principles for the current reporting period unless otherwise stated in the Appendix 4G and Corporate Governance Statement which is lodged on the Company announcements platform at the same time as the annual report.

A description of the Company's main corporate governance practices are available on the Company's website located at:

http://centrexmetals.com.au/governance/

5. Remuneration Report - audited

5.1 Principles of compensation

The remuneration report provides details of the remuneration of the Company's directors and the senior executives identified as those who had authority for planning, directing and controlling the Company's activities during the reporting period ("Key Management Personnel").

Total remuneration packages for directors and executives of the Group are competitively set to attract and retain appropriately qualified and experienced people. The Remuneration and Nomination Committee assists the Board in setting remuneration strategy. Furthermore, the Board benchmarks remuneration practices against the *AON Hewitt – McDonald, Gold and & General Mining Industries* remuneration report with particular reference to companies in the lowest quartile of the data (i.e. those with a similar market capitalisation and with a similar sized workforce) to determine the appropriateness of the remuneration packages paid by the Company. This takes account of trends in comparative companies and the objectives of the Company's remuneration strategy to attract suitably qualified candidates, reward the achievement of strategic objectives, and achieve the broader outcome of creation of value for shareholders.

Non-Executive Directors

Total compensation for all Non-Executive Directors, pursuant to the constitution must not exceed $500,000 per annum. Fees were set with reference to standard practice by comparator companies.

For the year ended 30th June 2019, the Non-Executive Directors' compensation comprised Directors' base fees of $81,000 per annum (2018: $81,000 per annum) for the Chairman and $49,500 per annum (2018: $49,500 per annum) for the other Non-Executive Directors. In addition, $9,000 per annum (2018: $9,000 per annum) was paid for membership of the Audit and Risk Management Committee, with an additional $2,250 per annum (2018: $2,250 per annum) for the Chairman of the Audit and Risk Management Committee. Director's fees paid to Mr Chris Indermaur include $18,850 associated with additional duties involving the recruitment of the CEO.

Superannuation is paid on behalf of the Non-Executive Directors at the rate of 9.5% per annum as is legislated. Where the Company engages a director as a consultant the value of superannuation benefits that would otherwise have been payable are paid as additional fees.

CEO and Company executives

Remuneration packages for the CEO and other Company executives include a mix of fixed and variable compensation, the variable compensation using short and long term incentives. The remuneration packages take into account market practice of comparable organisations within the industry and reflect capability, role and experience of each executive.

The fixed remuneration component (cash, superannuation and fringe benefits) was set by utilising industry surveys with particular reference to the practices of companies in the lowest quartile of the survey (i.e. those with a similar market capitalisation and with a similar sized workforce). Total remuneration (base salary packages and variable remuneration) provides the opportunity for executives to reach compensation levels in the next quartile as outlined within the industry surveys through the following variable awards:

- the Short Term Incentive ("STI") Plan, which awards a cash bonus of between 0% and 20% of fixed remuneration subject to individual and Company targets being met; and
- the Long Term Incentive ("LTI") Plan, under which the executive may be granted incentive rights, some of which vest after an extended period of continuous employment (Retention Rights), the others vesting after an assessment of performance (Performance Rights).

For the 2019 financial year there were no awards made under the STI plan. Details of the awards of rights issued under the LTI plan are listed at the conclusion of this Remuneration Report.

Mr Ben Hammond, Managing Director & CEO

Mr Hammond was appointed Managing Director on 17th October 2017 having previously been appointed as CEO on 1st July 2013. Mr Hammond resigned as CEO effective 30th April 2019. Mr Hammond's total annual fixed remuneration was $393,000 (2018: $385,385) and received during the 2019 financial year $328,365 (pro-rata to resignation) in addition to statutory leave entitlements.

Mr Simon Slesarewich, CEO

Mr Slesarewich was appointed CEO on 3rd April 2019. His total annual fixed remuneration is $350,000 and for the 2019 financial year (pro-rata) it was $85,253 (2018: nil).

If Mr Slesarewich's employment is terminated without cause or due to a failure to provide the services required under the agreement, he will be entitled to 3 months' written notice (or payment of salary in lieu) and any accrued but not yet paid salary and leave entitlements. He will also be entitled to any right or entitlement accrued under an incentive scheme (provided all necessary approvals have been obtained in relation to that right or entitlement before cessation of employment). If Mr Slesarewich's employment is terminated as a result of a change in control, in addition to his entitlement to 3 months' written notice he will be entitled to an exit payment of 6 months' salary.

Where Mr Slesarewich's employment is terminated with cause, such as due to a serious or persistent breach of the terms of the agreement or the failure to comply with the lawful directions of the Board, notice of termination will be effective immediately without payment of any amount or the provision of any benefit, other than salary and leave entitlements accrued to the date of termination and not yet paid.

Mr Slesarewich is also entitled to participate in the Company's short term and long term incentive schemes as outlined above.

Other executives considered to be Key Management Personnel

In addition to the Non-Executive Directors and executives listed above, the following persons are considered to be Key Management Personnel of the Group:

Mr Mark Terry	Chief Financial Officer
Mr Alastair Watts	General Manager Exploration
Mr Steve Klose	General Manager Projects
Mr Gérard Bosch	Manager Approvals & Stakeholder Relations

The experience of these persons is listed in sections 1.2 and 2 of this Directors' Report.

Mr Gavin Bosch (Company Secretary and Chief Financial Officer) ceased employment on 28th September 2018.

Mr Mark Terry commenced as Chief Financial Officer on 27th August 2018.

Service Agreements

The Company has service contracts with each executive listed above. Each contract is for an unlimited term and can be terminated by either party by giving up to three months' written notice (except for Mr Gérard Bosch, whereby either party must give four weeks written notice). The Company reserves the right to terminate the contract without notice in the event of misconduct or dishonesty.

Remuneration of Key Management Personnel (KMP) (Consolidated)

Details of the nature and amount of each major element of remuneration of each of the KMP are:

			Short-term				
			Salary & fees	STI cash bonus (1)	Non-monetary benefits	Annual leave (2)	
			$	$	$	$	
Directors							
Mr D Klingberg AO	Non-exec	2019	98,550	-	-	-	
		2018	98,550	-	-	-	
Mr B Hammond (5)	Managing Director	2019	298,171	-	4,328	(46,727)	
	& CEO	2018	355,438	-	4,947	(3,860)	
Mr J Hazel	Non-exec	2019	60,750	-	-	-	
		2018	60,750	-	-	-	
Mr K Poh	Non-exec	2019	64,058	-	-	-	
		2018	64,058	-	-	-	
Mr G Chrisp	Non-exec	2019	49,500	-	-	-	
		2018	54,202	-	-	-	
Mr C Indermaur (6)	Non-exec	2019	73,052	-	-	-	
		2018	54,202	-	-	-	
Total compensation: Directors		2019	644,081	-	4,328	(46,727)	
		2018	687,200	-	4,947	(3,860)	
Executives							
Mr S Slesarewich (7)	CEO	2019	83,792	-	-	2,830	
		2018	-	-	-	-	
Mr M Terry (8)	CFO	2019	235,749	-	-	22,071	
		2018	-	-	-	-	
Mr A Watts	GM Exploration	2019	260,500	-	5,068	(23,757)	
		2018	255,521	-	4,827	(8,187)	
Mr Gavin Bosch (9)	CFO	2019	52,298	-	-	(38,363)	
		2018	209,187	-	-	8,906	
Mr S Klose	GM Projects	2019	255,307	-	5,194	11,122	
		2018	250,208	-	4,980	(2,368)	
Mr Gérard Bosch	Mgr. Approvals	2019	183,600	-	5,194	3,011	
	& Stakeholder Relations	2018	180,000	-	4,947	14,476	
Total compensation: executives		2019	1,071,246	-	15,456	(23,086)	
		2018	894,916	-	14,754	12,827	
Total compensation: KMP		2019	1,715,327	-	19,784	(69,813)	
		2018	1,582,116	-	19,701	8,967	

(1) STI represents the amount of the STI or bonus that will be paid to the executive for performance for the relevant financial year.

(2) In accordance with the requirements of the Accounting Standards, remuneration includes the movement in accrued annual leave for the period.

(3) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity linked compensation determined as at the grant date and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that the senior executives may ultimately realise should the equity instruments vest.

	Super-annuation benefits	Share-based payments (3)	Termination	Other long term benefits (4)	Total	Performance related	Options / Rights related
	$	$	$	$	$	%	%
	-	-	-	-	98,550		
	-	-	-	-	98,550		
	25,000	34,656	-	(110,621)	204,807	0.0	16.9
	25,000	18,101	-	11,076	410,702	0.0	4.4
	5,771	-	-	-	66,521		
	5,771	-	-	-	66,521		
	-	-	-	-	64,058		
	-	-	-	-	64,058		
	4,702	-	-	-	54,202		
	-	-	-	-	54,202		
	-	-	-	-	73,052		
	-	-	-	-	54,202		
	35,473	**34,656**	**-**	**(110,621)**	**561,190**		
	30,771	**18,101**	**-**	**11,076**	**748,235**		
	1,461	17,382	-	296	105,761	0.0	16.4
	-	-	-	-	-	-	-
	20,021	42,171	-	871	320,883	0.0	13.1
	-	-	-	-	-	-	-
	24,747	16,826	-	9,397	292,781	0.0	5.7
	24,274	6,783	-	8,268	291,486	0.0	2.3
	4,968	-	-	(61,108)	(42,205)	0.0	0.0
	19,873	-	61,274	6,432	305,672	0.0	0.0
	24,254	16,826	-	8,373	321,076	0.0	5.2
	23,770	6,783	-	3,740	287,113	0.0	2.4
	17,442	16,826	-	2,935	229,008	0.0	7.3
	17,100	6,783	-	1,513	224,819	0.0	3.0
	92,893	**110,031**	**-**	**(39,236)**	**1,227,304**		
	85,017	**20,349**	**61,274**	**19,953**	**1,109,090**		
	128,366	**144,687**	**-**	**(149,857)**	**1,788,494**		
	115,788	**38,450**	**61,274**	**31,029**	**1,857,325**		

(4) Other long term benefits represents the movement in the senior executive's long service leave entitlements measured as the present value of the estimated future cash outflows to be made in respect of the senior executive's service between the respective reporting dates.
(5) Mr Ben Hammond's employment with the Company ceased on 30th April 2019.
(6) Directors fees paid to Mr Chris Indermaur include $18,850 associated with additional duties involving the recruitment of the CEO.
(7) Mr Simon Slesarewich's employment with the Company commenced on 3rd April 2019.
(8) Mr Mark Terry's employment with the Company commenced on 3rd April 2019.
(9) Mr Gavin Bosch's employment with the Company ceased on 28th September 2018.

5. Remuneration Report – audited (continued)

Consequences of performance on shareholder wealth

The variable components of the Company's executives' remuneration (the short and long term incentives) seek to encourage alignment of management performance and shareholders' interests by linking remuneration to performance of the Company as a whole.

The award of any short term or long term incentive is always at the discretion of the Board which will also take into account the following indices when assessing performance, although the Board acknowledges that as an exploration company the use of such indices does not fully reflect Company performance.

	2019	2018	2017	2016	2015
Profit / (loss) attributable to owners of the company	(1,384,316)	(1,139,938)	488,828	(4,987,053)	(14,821,127)
Dividends paid (per share)	-	-	-	-	-
Share price at 30 June	$0.11	$0.10	$0.06	$0.06	$0.08

Short Term Incentive – Cash Bonus

The STI Plan ordinarily involves the setting of key performance indicators (KPI) which must be achieved to be awarded the short term incentive (cash bonus). These relate to overall Company performance and individual performance set by the Board for the relevant period.

During the period the Company set KPIs for the MD and incoming CEO, linked to the achievement of Company performance hurdles. As the CEO's KPI measurement term extends beyond 30 June 2019 no performance bonus is payable for the reporting period.

Long Term Incentive – Equity based

The Company's LTI Plan is intended to reward efforts and results that promote long term growth in shareholder value. The KPI which must be achieved for the vesting of Company executives' Performance Rights is the growth in the Company's share price.

The other component of the LTI Pan is the grant of Retention Rights. Retention Rights vest on the completion of a period of service with the Company. The purpose of granting Retention Rights is to retain executives who over the time of their employment accumulate significant intellectual property of value to the Company, and to ensure the continuity of that knowledge and in turn promote a stable and efficient executive team.

Rights

The Company issued the following rights to directors and KMP during the year:

Key Management Personnel	Type	Grant date	Number	Share price hurdle	Vesting date
Mr Ben Hammond [1]	2018 Performance Rights	27/08/18	657,070	$0.17	26/08/20
Mr Mark Terry	2018 Performance Rights	27/08/18	750,000	$0.17	26/08/20
Mr Mark Terry [2]	2018 Sign-on Rights	27/08/18	180,000	$0.00	27/08/18
Mr Alastair Watts	2018 Performance Rights	27/08/18	280,000	$0.17	26/08/20
Mr Steve Klose	2018 Performance Rights	27/08/18	280,000	$0.17	26/08/20
Mr Gerard Bosch	2018 Performance Rights	27/08/18	280,000	$0.17	26/08/20
Mr Simon Slesarewich	2019 Performance Rights	03/04/19	750,000	$0.17	02/04/21
Mr Simon Slesarewich	2019 Retention Rights	03/04/19	750,000	$0.00	02/04/21

(1) Mr Ben Hammond's performance rights lapsed when employment with the Company ceased on 30th April 2019.
(2) Mr Mark Terry received sign-on rights which converted to ordinary shares on commencement of employment (vesting date).

6. Principal Activity

The principal activity of the Group during the reporting year was exploration on the following areas:

- Phosphate project development in Queensland;
- Potash exploration over wholly owned tenements in Western Australia; and
- Base metals exploration in New South Wales.

7. Operating and Financial Review

A review of the operations of the Group during the year and the results of those operations are as follows:

The net profit / (loss) for the reporting year, after providing for income tax was:

	2019 $	2018 $
Net profit / (loss) after income tax	(1,384,316)	(1,139,938)

The Group incurred expenditure of $4,069,764 (2018: $5,614,903) on mineral tenements during the year. Further details can be found in Note 6 to the financial statements.

Further information on the Group's operating activities can be found in the CEO's Report.

8. Dividends

No dividends were declared during the year.

9. Events subsequent to year end

No material events occurred subsequent to the end of the financial year.

10. Likely Developments

The mineral tenements with an interest held by the Group and available for mineral exploration have the following expenditure covenants to maintain exploration rights:

Tenement	Held by	Ownership	Covenant ($'000)	Period	Expiry
New South Wales					
Goulburn EL7388	LM(i)	100%	625*	Annual	20th Aug 2023
Archer EL7503	LM(i)	100%	20*	Annual	7th Apr 2022
Western Australia					
Oxley A E70/3777	CPot(ii)	100%	72	Annual	29th Dec 2020
Oxley B E70/4004	CPot(ii)	100%	70	Annual	1st Mar 2021
Oxley C E70/4318	CPot(ii)	100%	70	Annual	13th May 2022
Oxley D E70/4319	CPot(ii)	100%	70	Annual	13th May 2022
Oxley E E70/4320	CPot(ii)	100%	50	Annual	13th May 2022
Oxley F E70/4378	CPot(ii)	100%	50	Annual	13th Sep 2022
Oxley G E70/4729	CPot(ii)	100%	87	Annual	9th Aug 2020
Queensland					
Ardmore EPM 26551	CPhos(iii)	100%	191	Annual	24th Nov 2022
Ardmore EPM 26568	CPhos(iii)	100%	5	Annual	29th Jan 2023
Ardmore EPM 26841	CPhos(iii)	100%	51	Annual	29th Oct 2023
Northern Territory					
EL 32082	CQld (iv)	100%	15	Annual	22nd Aug 2025
EL 32091	CQld (iv)	100%	12	Annual	22nd Aug 2025

(i) Lachlan Metals Pty Ltd ("LM")
(ii) Centrex Potash Pty Ltd ("CPot")
(iii) Centrex Phosphate Pty Ltd ("CPhos")
(iv) Centrex QLD Exploration Pty Ltd ("CQld") – tenement grant date 23rd August 2019
* The annual commitments for the New South Wales tenements are an estimate of the work program to which the Group has committed to undertake over the term of the licence.

The Directors have assessed the status of all of the Group's tenements and believe all tenements have sufficient remaining mineral potential to warrant continued exploration.

11. Directors' Interests in Shares, Options and Rights

The relevant interest of each Director in the shares or options over such instruments issued by the Company and other related bodies corporate, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Name	Shares	Retention Rights		Performance Rights	
		Number	Price/Exp.	Number	Price/Exp.
Patna Properties Pty Ltd (a company associated with Mr David Klingberg AO)	2,042,810	-	-	-	-
Mr Kiat Poh	2,618,880	-	-	-	-
Jason James Chrisp & Bailey Ingham Trustees Limited <The Chrisp CXM A/C> (a company associated with Mr Graham Chrisp and Mr Jason Chrisp)	110,905,672	-	-	-	-
Candle Grove Pty Ltd (a company associated with Mr Jim Hazel)	866,155	-	-	-	-
Mr Chris Indermaur	-	-	-	-	-
Mr Ben Hammond	481,316	-	-	-	-

Other than transactions as detailed in Note 13 to the financial statements, no director has received or become entitled to receive, during or since the end of the reporting year, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or a Company in which a director has a substantial financial interest.

12. Share Rights

Rights granted to Directors and Executives of the Group

The Company did not grant any options or rights over shares since 30 June 2019. Details of rights granted during the year, in addition to rights vested, exercised or lapsed, are detailed in Note 13 to the financial statements.

Unissued shares under rights

At the date of this report the unissued ordinary shares of the Company under unlisted rights are as follows:

Timing	Amount paid on each share	No. of unissued shares under rights
No. of unissued shares at 30th Jun 2018	-	4,162,177
New rights issued during the 12 months ending 30th Jun 2019	-	3,927,070
Options / rights converted to shares during the period	-	(180,000)
Expired options / rights during the period	-	(2,133,341)
No. of unissued shares under unlisted rights at 30th Jun 2019	-	5,775,906
New rights issued since 30th Jun 2019	-	-
Options / rights converted to shares since 30th Jun 2019	-	-
Expired options / rights since 30th Jun 2019	-	-
No. of unissued shares under unlisted rights at report date	-	5,775,906

13. Indemnification and insurance of Directors and Officers

Directors' and Officers' Liability Insurance has been secured to insure the Directors, officers and senior executives of the Group to the extent permitted by the Corporations Act 2001. The officers of the Company and the Group covered by the insurance policy include any person acting in the course of duties for the Company or the Group who is or was a Director, secretary or senior executive. The contract of insurance prohibits the disclosure of the nature of the insurance covered and the amount of the premium.

The Company's constitution provides that the Company indemnifies every person who is or has been an officer of the Company for any liability (other than for legal costs) incurred by that person as an officer of the Company and any subsidiary of the Company. The Company has entered into deeds of access, insurance and indemnity with the current Directors of the Company. The agreements indemnify the Directors to the extent permitted by law against certain liabilities and legal costs incurred by the Directors; require the Company to maintain and pay Directors' and Officers' Liability Insurance in respect of the Director; and provide the Director with access to board papers and other documents.

14. Environmental Regulation and Performance

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the period under review the majority of work carried out was on Ardmore Phosphate Rock Project in NW Queensland and the Group followed procedures and pursued objectives in line with requirements published by the relevant regulators including the Department of Environment and Science, the Department of Natural Resources, Mines and Energy and the Department of Aboriginal and Torres Strait Islander Partnerships.

The requirements from the relevant government departments are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable. The Group and its partner companies have individuals with detailed job responsibilities in this area.

The Board is not aware of any significant environmental breaches during the period covered by this report.

15. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or accrued to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	2019 $	2018 $
Audit Services	56,407	53,750
Other services – taxation/other services	28,541	19,911
Auditors of the company - KPMG	84,948	73,661

16. Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with that Financial Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated. All currencies are in Australian dollars unless stated otherwise.

17. Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 28 and forms part of the Directors' Report for the financial year ended 30th June 2019.

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

Mr David Klingberg AO
Chairman

Dated at Adelaide this 17th day of September 2019.

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 audit of Centrex Metals Limited for the financial year ended 30 June 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

17 September 2019


CH0051
CH0051

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 30th June 2019

	Note	2019 $'000	2018 $'000
Other income	2	43	156
Office and administration expenses		(475)	(333)
Consultants and management expenses		(425)	(203)
Directors' fees		(347)	(332)
Employee benefit expenses	2	(1,020)	(736)
Exploration expenditure written off	6	-	(172)
Depreciation expense	7	(20)	(13)
Reversal of previous land impairment	7	724	-
Other expenses		(99)	(52)
Results from operating activities		**(1,619)**	**(1,684)**
Finance income	2	235	428
Net finance income		**235**	**428**
Loss before income tax		**(1,384)**	**(1,256)**
Income tax benefit	4	-	116
Loss for the period		**(1,384)**	**(1,140)**
Other comprehensive income		-	-
Total comprehensive loss for the period		**(1,384)**	**(1,140)**
Loss attributable to:			
Owners of the Company		(1,384)	(1,140)
Loss for the period		**(1,384)**	**(1,140)**

Earnings per share for loss attributable to the ordinary equity holders of the company:		Cents per share	Cents per share
Basic earnings / (loss) per share	5	(0.44)	(0.36)
Diluted earnings / (loss) per share	5	(0.44)	(0.36)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Changes in Equity

For the Year ended 30th June 2019

	Contributed equity $'000	Share Option reserve $'000	Profit reserve $'000	Accumulated Losses $'000	Total $'000
Current Period					
Balance at 30th June 2018	41,330	2,416	1,005	(11,100)	33,651
Loss for the period	-	-	-	(1,384)	(1,384)
Total Comprehensive Income for the Period	-	-		(1,384)	(1,384)
Contributions from/to equity owners					
Share-based payment transactions	21	124	-	-	145
Balance at 30th June 2019	**41,351**	**2,540**	**1,005**	**(12,484)**	**32,412**
Prior Period					
Balance at 30th June 2017	41,330	2,377	1,005	(9,960)	34,752
Loss for the period	-	-	-	(1,140)	(1,140)
Total Comprehensive Income for the Period	-	-		(1,140)	(1,140)
Contributions from/to equity owners					
Share-based payment transactions	-	39	-	-	39
Balance at 30th June 2018	**41,330**	**2,416**	**1,005**	**(11,100)**	**33,651**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Financial Position

As at 30th June 2019

	Note	As at	
		30th June 2019 $'000	30th June 2018 $'000
Assets			
Cash and cash equivalents		1,268	3,694
Term deposits		4,015	10,397
Receivables and other assets		136	468
Total Current Assets		**5,419**	**14,559**
Deposits held as security	8	350	190
Exploration and evaluation expenditure	6	23,625	19,555
Land and buildings	7	-	628
Plant and equipment	7	4,185	26
Total Non-Current Assets		**28,160**	**20,399**
Total assets		**33,579**	**34,958**
Liabilities			
Trade and other payables		850	759
Employee benefits		199	542
Total Current Liabilities		**1,049**	**1,301**
Deferred income tax liabilities	4	-	-
Employee benefits		19	6
Provision for rehabilitation		99	-
Total Non-Current Liabilities		**118**	**6**
Total Liabilities		**1,167**	**1,307**
Net assets		**32,412**	**33,651**
Equity			
Contributed equity		41,351	41,330
Share option reserve		2,540	2,416
Profit reserve		1,005	1,005
Accumulated losses		(12,484)	(11,100)
Total equity		**32,412**	**33,651**

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Cash Flows

For the Year ended 30th June 2019

	Note	2019 $'000	2018 $'000
Cash flows from operating activities			
Land option income received		-	60
Other income received		12	-
Payments to suppliers and employees		(2,186)	(693)
Research and development tax incentive received		116	-
Net cash used in operating activities	16(b)	**(2,058)**	**(633)**
Cash flows from investing activities			
Expenditure on mining tenements		(4,195)	(5,615)
Interest received		297	450
Acquisition of property plant and equipment	7	(4,078)	(25)
Proceeds on disposal of assets	7	1,350	96
Other		35	-
Cash transferred (to) / from term deposits		6,383	7,739
Cash transferred (to) / from security deposits		(160)	(190)
Net cash used in / (from) investing activities		**(368)**	**2,455**
Cash flows from financing activities			
Net cash from financing activities		**-**	**-**
Net increase / (decrease) in cash		**(2,426)**	**1,822**
Cash at the beginning of the year		**3,694**	**1,872**
Cash at the end of the year		**1,268**	**3,694**

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

Notes to the Consolidated Financial Statements

For the Year ended 30th June 2019

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Company's registered office is located at Level 6, 44 Waymouth Street Adelaide, SA 5000. The consolidated financial report of the Company for the financial year ended 30th June 2019 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for profit entity and is primarily involved in minerals exploration in Australia.

The financial report was authorised for issue by the directors on 17th September 2019.

a) Statement of Compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial statements of the Group complies with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

b) Going Concern

The Group financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and realisation of assets and the settlement of liabilities in the normal course of business

The Group has no debt obligations. The Group incurred a loss of $1.384 million, and net cash outflows from operating and project exploration/development activities of $10.331 million, for the year ended 30 June 2019. The Group's position as at 30 June 2019 included available cash reserves of $5.283 million; and current net assets of $4.370 million.

The Group's principal objective is to create value through the discovery and development of mineral resources and as such it does not presently have a source of operating income. To support the planned level of exploration and project development activities of the business, including the continued development of the Ardmore project, the Group is reliant on funds from external sources over the next 12 months and in the future. The Directors reasonably expect that the Group will be able to source sufficient funds as required to meet future costs associated with these planned activities. If required the Group is able curtail expenditure such that existing cash reserves will be sufficient to meet the working capital needs for at least the next 12 months.

The Directors are therefore of the opinion that the going concern basis is appropriate.

c) Basis of Measurement and Presentation

The financial report is presented in Australian dollars, which is the Group's functional currency.

It has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or current valuations of non-current assets.

d) Accounting estimates and judgements

The Group's estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

Income Tax – Note 1(i)

Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective area of interest will be achieved. At this point in time the Group has assumed there is insufficient probability of generating income and as such has not recognised a deferred tax asset in relation to the Group's carried forward tax losses in excess of the value to offset its deferred tax liabilities.

Exploration, evaluation and development expenditure – Note 1(k)

Determining the recoverability of exploration, evaluation and development expenditure capitalised in accordance with the Group's accounting policy (refer Note 1(k)), requires estimates and assumptions as to future events and circumstances in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Critical to this assessment are estimates and assumptions as to ore resources and reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore resource or reserve become available, may impact the assessment of the recoverable amount of exploration, evaluation and development expenditure. If, after having capitalised the expenditure under policy 1(k), a judgement is made that recovery of the expenditure is unlikely, an impairment loss is recorded in accordance with accounting policy 1(p).

e) Principles of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The consolidated financial statements of the Group include the financial statements of the Company, being the parent entity, and its wholly owned subsidiaries, from the date that control commences until the date control ceases:

- DSO Development Pty Ltd
- Flinders Pastoral Pty Ltd
- Lachlan Metals Pty Ltd
- Kimba Gap Iron Project Pty Ltd
- Centrex QLD Exploration Pty Ltd (previously named Port Spencer Holdings Pty Ltd)
- South Australia Iron Ore Group Pty Ltd
- Centrex Phosphate Pty Ltd (previously named Sturt Pastoral Pty Ltd)
- Centrex Potash Pty Ltd
- Centrex Zinc Pty Ltd

f) Joint Arrangements

Joint arrangements are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

Jointly controlled operations and assets

The interest of the consolidated entity in jointly controlled operations 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 Company 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 financial statements have been eliminated.

g) Revenue Recognition

Revenue and expenses are brought to account on an accrual basis.

Interest income - Interest income is recognised as it accrues and is included in finance income.

Lease income - The Group receives lease income from the properties which it has purchased. The properties were purchased for the purpose of evaluating the potential recoverability of resources. This income is recognised as it accrues.

Gain or loss on disposal of interest in mineral tenements

The Group recognises a gain or loss on disposal of interest in mineral tenements as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, less any direct costs. This income is recognised when the risks and rewards of ownership have passed to the buyer.

h) Government Grants

Grants that compensate the Group for exploration and evaluation expenditure incurred are offset against the exploration and evaluation capitalised asset in the same period in which the capitalised expenditure is recognised.

i) Cash and Cash Equivalents and term deposits

(i) Cash and cash equivalents comprise cash balances and call deposits which can be readily accessed and have maturities of 90 days or less.

(ii) Term deposits comprise cash deposits with maturities of more than 90 days.

j) Income Tax

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective area of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The company and its wholly owned Australian resident subsidiaries commenced being a tax consolidation group on 27th January 2005 and are therefore taxed as a single entity. The head entity within the tax consolidation group is Centrex Metals Limited.

k) Exploration, Evaluation and Development Expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable.

Costs associated with exploration, evaluation and development expenditure will be accumulated in respect of each separate 'area of interest'. An 'area of interest' is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

(a) The rights to tenure of the area are current; and

(b) At least one of the following conditions is also met:

(i) The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; or

(ii) Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of 'economically recoverable reserves' and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching, and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

During the time in which an area of interest qualifies for classification as an exploration and evaluation asset; any proceeds from the sale of material (derived for the purpose of evaluating its saleability) from that area of interest are offset against the expenditure incurred for that area of interest.

Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets. Assets that are classified as tangible include: piping and pumps; and, vehicles and drilling equipment. Assets that are intangible include: acquired rights to explore and exploratory drilling costs.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised, prior to being reclassified.

Exploration and evaluation assets are assessed for impairment annually if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

l) Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation that can be measured reliably as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

m) Provisions for Restoration and Rehabilitation

A provision is recognised for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during the construction of the Ardmore Trial Mine up to reporting date but not yet rehabilitated. The provision is based on current cost estimates and has been determined on a discounted basis. As the provision represents the discounted value of the present obligation, using a pre-tax rate that reflects current market assessments and the risks specific to the liability, the increase in value of the provision due to the passage of time will be recognised as a borrowing cost in the profit and loss statement in future periods. The provision is recognised as a non-current liability (in line with the expected timescales for the work to be performed) with a corresponding asset taken to account and amortised over the life of the trial mine. At each reporting date the rehabilitation liability is reviewed and re-measured in line with changes in discount rates and timing and the amounts of the costs to be incurred based on the area of disturbance at reporting date. Changes in the liability relating to the re-assessment of rehabilitation estimates are added to or deducted from the related asset.

n) Property, Plant and Equipment

Property, plant and equipment is brought to account at cost, less where applicable any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of those assets (refer Note 1(p)).

The gain or loss on disposal of fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax in the year of disposal.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the date the assets are held ready for use.

o) Depreciation

With the exception of exploration, evaluation and development expenditure, depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Following the re-classification of Exploration and evaluation assets as development assets, they are depreciated on a unit of production basis over the life of the economically recoverable reserves, once production commences.

Land is not depreciated.

The estimated useful lives of plant and equipment in the current and comparative periods are as follows:

Motor vehicles	3-5 years
Fixtures and fittings	3-5 years
Other plant and equipment	3-5 years
Buildings	50 years

p) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

q) Leased Assets

Leases of plant and equipment are classified as operating leases where the lessor retains substantially all the risks and benefits of ownership. Minimum lease payments are charged to profit or loss on a straight line basis over the lease terms except where an alternative basis would be more representative of the pattern of benefit to be derived for the leased asset.

r) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the Australian Taxation Office (ATO), is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable or payable to the ATO, are disclosed as operating cash flows.

s) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

t) Share capital

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

u) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term service benefits

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations. Remeasurements are recognised in profit or loss in the period in which they arise.

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit or loss as incurred.

Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as housing and cars, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic probability of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

v) Share and option compensation

Where shares or share options are issued to employees or directors as remuneration for past services, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Unless otherwise stated, the fair value of the options granted is measured using an option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except for those that fail to vest due to market conditions or non-vesting conditions not being met.

The fair value of the employee share options and rights is measured using the Black-Scholes formula. Measurement inputs include the share price on measurement date, the exercise price of the instrument, expected volatility based on the Company's historic volatility, particularly over the period commensurate with the expected term and the risk free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

w) Segmental reporting

The Group determines and presents operating segments based on the information that internally is provided to the Chief Executive Officer, who is the Group's chief operating decision maker.

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) and operations relate predominantly to mining exploration, it is appropriate to have one operating segment.

x) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise any convertible notes, share options, and rights granted to employees.

y) New standards and interpretations

(i) issued and effective at reporting date
In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board that are relevant to its operations and effective for the current annual reporting period.

The adoption of these new and revised Australian Accounting Standards and Interpretations has had no significant impact on the Group's accounting policies or the amounts reported during the financial year.

Year ended 30th June 2019: AASB 15: Revenue from Contracts with Customers

This standard changes the timing and in some cases the quantum of revenue recognised from customers. AASB 15 requires an entity to recognise revenue by identifying for each customer contract, the performance obligations in the contract and the transaction price.

The transaction price is then allocated against the performance obligations in the contract with revenue recognised when (or as) the entity satisfies each performance obligation. Management has assessed the impact of the transition to the new standard and has concluded that it does not have a material impact on the financial performance of the Group

Year ended 30th June 2019: AASB9: Financial instruments

AASB 9, approved in December 2014, replaces the existing guidance in *AASB 139 Financial Instruments: Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from AASB 139. Management has assessed the impact of the transition to the new standard and concluded that it does not have a material impact on the consolidated financial statements.

(ii) issued but not effective at reporting date

At the date of authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective, and have not been adopted early by the Group. Management anticipates that all of the relevant pronouncements will be adopted in the Group's accounting policies for the first period beginning after the effective date of the pronouncement. Information on new standards, amendments and interpretations that are expected to be relevant to the Group's financial statements is provided below.

Year ended 30th June 2020: AASB16: Leases

AASB 16: Leases was approved in February 2016, and replaces *AASB 117 Leases*. AASB 16 no longer differentiates between operating and finance leases with regard to which type of lease is included in the statement of financial position. All leases (subject to some minimum thresholds) will now be included in the statement of financial position. AASB 16 is effective for annual reporting periods beginning on or after 1st January 2019, with early adoption permitted. Management has assessed the potential impact of the revised standard and as the Group does not currently have any significant operating leases, anticipates an immaterial impact on the statement of financial position and a negligible impact on the statement of financial performance.

Notes to the Consolidated Financial Statements (continued)

2. PROFIT FROM CONTINUING OPERATIONS

	2019 $'000	2018 $'000
Finance Income		
Interest income on bank accounts including term deposits	235	428
	235	428

	2019 $'000	2018 $'000
Other income		
Gain on asset disposals	-	96
Land option fee	-	60
Other	43	-
	43	156

	2019 $'000	2018 $'000
Employee Benefit Expenses		
Wages and salaries	412	366
Contributions to defined contribution superannuation funds	150	127
Employee liability movements	151	105
Equity settled share-based payment transactions	145	39
Other employee costs	162	99
	1,020	736

3. AUDITOR'S REMUNERATION

	2019 $	2018 $
Audit Services	56,407	53,750
Other services - taxation services	28,541	19,911
Auditors of the company - KPMG	84,948	73,661

4. TAXATION

The consolidated entity is not recognising a deferred tax asset to the extent that it exceeds the total of deferred tax liabilities. Details of the current and deferred income tax expense is shown below:

	2019 $'000	2018 $'000
Current income tax expense / (benefit)		
Current period	-	(116)
Total income tax expense / (benefit)	**-**	**(116)**
Deferred Tax assets (DTA) and Deferred Tax liabilities (DTL)		
Property, plant and equipment	(7)	238
Provisions and accrued expenses	99	262
Exploration and evaluation assets	(4,674)	(3,440)
Interest receivable	(4)	(21)
Net DTL	**(4,586)**	**(2,961)**
Tax losses recognised to the extent of the DTL[1]	4,586	2,961
Reconciliation of effective tax rate		
Loss for the year	(1,384)	(1,140)
Total income tax benefit	-	(116)
Loss excluding income tax	**(1,384)**	**(1,256)**
Prima facie income tax benefit calculated at 27.5% (2018: 27.5%)	(381)	(345)
Non-deductible expenses	41	4
Tax incentives (Research & Development)	-	(116)
Tax losses not recognised	340	341
Total income tax benefit	**-**	**(116)**
Unrecognised tax losses at 27.5% (2018: 27.5%)[1]	2,674	2,175

1. Total carried forward tax losses of the group (at 27.5%) are $7.3 million (2018 $5.1 million).

5. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30th June 2019 was based on the loss attributable to ordinary shareholders of $1.384 million (2018: loss of $1.140 million) and a weighted average number of ordinary shares outstanding during the financial year ended 30th June 2019 of 315,656,754 (2018: 315,505,357).

	2019 $'000	2018 $'000
Loss attributable to ordinary shareholders		
Loss for the period	(1,384)	(1,140)
Loss attributable to ordinary shareholders	**(1,384)**	**(1,140)**
	Number of Shares	Number of Shares
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of year	315,505,357	315,505,357
Effect of shares issued in the first quarter (to 30th September)	151,397	-
Weighted average number of ordinary shares at year end	**315,656,754**	**315,505,357**
Earnings per share for continuing and discontinued operations		
Basic earnings / (loss) – cents per share	(0.44)	(0.36)
Diluted earnings / (loss) – cents per share	(0.44)	(0.36)

Options or rights 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. The dilutive earnings per share at 30 June 2019 is the same as basic earnings per share. In accordance with AASB 133 Earnings per share, as the potential ordinary shares would result in a decrease in the earnings per share, no dilutive effect has been taken into account. For the year ended 30th June 2019 the weighted average number of ordinary shares outstanding during the financial year after adjustment for the effects of all dilutive potential ordinary shares was 315,797,760 (2018: 315,612,408).

6. EXPLORATION AND EVALUATION EXPENDITURE

Tenements

The exploration and evaluation expenditure assets comprise of exploration expenditure incurred since acquiring the exploration licenses. The expenditure is capitalised on a tenement by tenement ("area of interest") basis.

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.

Farm-out arrangements

The Company signed a deed of termination with Wugang Australian Resources Investment Pty Ltd On 8th September 2017 that formally allowed both parties to dissolve the Eyre Peninsula Joint Venture. The dissolution process was finalised during the period.

	Cumulative Expenditure to 30th Jun 18	Expenditure 12 months to 30th Jun 19	Tenements relinquished to 30th Jun 19	Tenements impaired to 30th Jun 19	Cumulative Expenditure to 30th Jun 19
	$'000	$'000	$'000	$'000	$'000
Ardmore Phosphate	11,070	3,881	-	-	14,951
Northern Territory Phosphate	-	16	-	-	16
Goulburn Zinc	2,052	31	-	-	2,083
Oxley Potassium Nitrate	6,433	142	-	-	6,575
Total	**19,555**	**4,070**	**-**	**-**	**23,625**

7. LAND AND BUILDINGS, PLANT AND EQUIPMENT

	2019 $'000	2018 $'000
Land and buildings		
At cost	628	630
Add prior period impairment reversal [1]	724	-
Less accumulated depreciation	(2)	(2)
Less disposals	(1,350)	-
Total land and buildings	-	628
Plant and Equipment		
At cost	420	405
Less accumulated depreciation	(397)	(379)
Total plant and equipment	23	26

1. The Group completed the disposal of its Port Spencer Land for $1.409 million in June 2019. Option fees of $0.060 million received to 30th June 2018 were netted with the settlement of $1.350 million. Reversal of a prior period impairment loss of $0.724 was recognised during the year ended 30 June 2019.

Movements in carrying amounts

	Land & Buildings	Plant & Equipment	Asset Retirement Cost	Construction in Progress	Total
	$'000	$'000	$'000	$'000	$'000
Opening carrying amount 1 Jul 2018	628	26	-	-	654
Additions	-	15	99	4,063 [2]	4,177
Impairment reversal	724	-	-	-	724
Disposals	(1,350)	-	-	-	(1,350)
Depreciation	(2)	(18)	-	-	(20)
Closing carrying amount 30 Jun 2019	-	23	99	4,063	4,185

2. Ardmore Phosphate Rock modular processing facility under construction.

8. FINANCIAL GUARANTEES

	2019 $'000	2018 $'000
Deposits held as security		
Deposits held as security	350	190
Guarantee facility		
Guarantee facility – available	350	190
Guarantee facility – undrawn	-	50
Guarantee facility – drawn	350	140

9. CAPITAL AND RESERVES

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

The Company does not have authorised capital or par value in respect of its issued shares.

Issued ordinary shares

	2019	2018
Issued ordinary shares at the beginning of the period	315,505,357	315,505,357
Ordinary shares issued during the period	180,000	-
Issued ordinary shares at the end of the period	**315,685,357**	**315,505,357**

10. OPTIONS AND RIGHTS

Options

There were no options outstanding at either 30th June 2019 or 30th June 2018.

Rights

The following share rights were outstanding as at 30th June 2019:

	As at 30th June 2019					
	2017 Retention Rights	2017 Performance Rights	2019 Sign-on Rights	2019 Performance Rights	2019 Performance Rights	2019 Retention Rights
Expiry date	22/10/2019	22/10/2019	27/08/2018	26/09/2020	02/05/2021	02/05/2021
Vesting date	22/09/2019	22/09/2019	27/08/2018	26/08/2020	02/04/2021	02/04/2021
Share Price Required to Vest:	$0.00	$0.15	$0.00	$0.17	$0.17	$0.00
Rights on issue at start of year	357,143	3,805,034	-	-	-	-
Rights issued during the year	-	-	180,000[1]	2,247,070[1]	750,000[2]	750,000[2]
Rights exercised during the year	-	-	(180,000)	-	-	-
Rights cancelled or lapsed	(357,143)	(1,119,128)	-	(657,070)	-	-
Rights on issue at end of year	**-**	**2,685,906**	**-**	**1,590,000**	**750,000**	**750,000**

1. The fair value of the 2,427,070 of rights granted on 27th August 2018 was determined using a Black Scholes methodology at grant date as 6.81 cents per performance right.

2. The fair value of the 1,500,000 of rights granted on 2nd April 2019 was determined using a Black Scholes methodology at grant date as 12 cents per retention right and 7.23 cents per performance right.

The following share rights were outstanding as at 30th June 2018:

	As at 30th June 2018	
	2017 Retention Rights	2017 Performance Rights
Expiry date	22/10/2017	22/10/2017
Vesting date	22/09/2017	22/09/2017
Share Price Required to Vest:	$0.00	$0.15
Rights on issue at start of year	-	-
Rights issued during the year	357,143	4,700,336
Rights exercised during the year	-	-
Rights cancelled (on expiry)	-	(895,302)
Rights on issue at end of year	357,143	3,805,034

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURES

(a) Financial risk management objectives

The Group does not enter into or trade financial instruments, for speculative purposes. As at 30th June 2019 the Group has no exposure to exchange rate risk and has no derivative exposures to commodity prices.

(b) Interest rate risk exposure

The Group has exposure to future interest rates on investments in fixed and variable-rate deposits. As at 30th June 2019 the Group had $5.633 million invested in such deposits (2018: $14.281 million). The Group does not use derivatives to mitigate these exposures.

Sensitivity Analysis

The Group does not account for any financial assets and liabilities at fair value through profit and loss and does not use interest rate derivatives. For the year ending 30th June 2019, a 1 percent increase in the effective interest rate would have resulted in an increase in profit of $0.093 million (2018: $0.174 million).

(c) Credit risk exposures

The Group has no significant concentrations of credit risk. As at 30th June 2019 the Group had receivables of $0.069 million (2018: $0.468 million).

The Group does not have significant credit exposure to outstanding receivables or investments due to the present nature of its operations. There have been no historical impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(d) Capital management

The Board seeks to maintain a strong capital base sufficient to maintain the future development of the Group's business. The Board closely monitors the Group's level of capital so as to ensure it is appropriate for the Group's planned level of activities. There were no changes to the Group's approach to capital management during the year. Neither the Company nor its wholly owned subsidiaries are exposed to any externally imposed capital requirements.

(e) Liquidity Risk Management

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following are both the expected payments and contractual maturities, including estimated interest payments:

	2019 $'000	2018 $'000
Carrying amount – trade and other payables	850	759
Contractual cash flows	(850)	(759)
12 months or less	(850)	(759)

(f) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, trade debtors, other debtors and accounts payable approximate net fair value.

The financial assets and financial liabilities included in assets and liabilities approximate their net fair values.

Cash assets are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

12. OPERATING LEASES

Non-cancellable operating lease rentals are payable/receivable as follows:

	2019 $'000	2018 $'000
Payable to third parties		
Less than one year	92	74
Between one and five years	-	49
More than five years	-	-
Expensed during the year	76	73

Operating lease rentals relate to corporate and site offices and accommodation.

13. RELATED PARTIES

The key management personnel compensation is as follows:

	2019 $'000	2018 $'000
Short-term employee benefits	1,665	1,611
Other long-term benefits	(22)	147
Termination benefits	-	61
Executive share options benefits	145	38
Employee benefits	1,788	1,857

Individual director and executive compensation disclosures

Information regarding key management personnel compensation is provided in the Remuneration Report in section 5 of the Directors' Report.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Key Management Personnel Holding of Shares:

The movement during the reporting period in the number of ordinary shares in Centrex Metals Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

		Opening Balance	Number Purchased	Issued on Vesting	Number Sold	Closing Balance
Patna Properties Pty Ltd (i)	2019	2,042,810	-	-	-	2,042,810
	2018	2,042,810	-	-	-	2,042,810
Mr Kiat Poh	2019	2,618,880	-	-	-	2,618,880
	2018	2,618,880	-	-	-	2,618,880
Jason James Chrisp & Bailey Ingham Trustees Limited <The Chrisp CXM A/C> (ii)	2019	110,905,672	-	-	-	110,905,672
	2018	110,905,672	-	-	-	110,905,672
Candle Grove Pty Ltd (iii)	2019	866,155	-	-	-	866,155
	2018	866,155	-	-	-	866,155
Mr Chris Indermaur	2019	-	-	-	-	-
	2018	-	-	-	-	-
Mr Simon Slesarewich (iv)	2019	-	-	-	-	-
	2018	-	-	-	-	-
Mr Mark Terry	2019	-	-	180,000	-	180,000
	2018	-	-	-	-	-
Mr Alastair Watts	2019	487,711	-	-	-	487,711
	2018	487,711	-	-	-	487,711
Mr Steve Klose	2019	-	-	-	-	-
	2018	-	-	-	-	-
Mr Gerard Bosch	2019	-	-	-	-	-
	2018	-	-	-	-	-
Mr Ben Hammond (v)	2019	481,316	-	-	-	481,316
	2018	481,316	-	-	-	481,316
Mr Gavin Bosch (vi)	2019	1,150,526	-	-	650,526	500,000
	2018	1,150,526	-	-	-	1,150,526

(i) Patna Properties Pty Ltd is a company associated with Mr David Klingberg AO.

(ii) Jason James Chrisp & Bailey Ingham Trustees Limited <The Chrisp CXM A/C> is an entity associated with Mr Graham Chrisp and Mr Jason Chrisp.

(iii) Candle Grove Pty Ltd is a company associated with Mr Jim Hazel.

(iv) Mr Simon Slesarewich was appointed as CEO of the Company effective 3 April 2019 and was not a KMP during the 2018 year.

(v) Mr Ben Hammond resigned from the Company effective 30 April 2019.

(vi) Mr Gavin Bosch resigned from the Company effective 30 September 2018.

Notes to the Consolidated Financial Statements (continued)

Key Management Personnel Holding of Options & Rights:

The movement during the reporting period in the number of options and rights over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

30th June 2019		Holding at 30th Jun 18	Issued	Exercised (E) or Lapsed (L)	Holding at 30th Jun 19
2017 Retention Rights					
Expiring: 22/10/19; Share hurdle:	$0.00				
Mr Ben Hammond[1]		357,143	-	(357,143) L	-
2017 Performance Rights					
Expiring: 22/10/19; Share hurdle:	$0.15				
Mr Ben Hammond[1]		1,119,128	-	(1,119,128) L	-
Mr Alastair Watts		895,302	-	-	895,302
Mr Steve Klose		895,302	-	-	895,302
Mr Gerard Bosch		895,302	-	-	895,302
2019 Sign-On Rights					
Expiring: 27/08/18; Share hurdle:	$0.00				
Mr Mark Terry		-	180,000	(180,000) E	-
2019 Performance Rights					
Expiring: 26/09/20; Share hurdle:	$0.17				
Mr Ben Hammond[1]		-	657,070	(657,070) L	-
Mr Mark Terry		-	750,000	-	750,000
Mr Alastair Watts		-	280,000	-	280,000
Mr Steve Klose		-	280,000	-	280,000
Mr Gerard Bosch		-	280,000	-	280,000
Expiring: 02/05/21; Share hurdle: $0.17					
Mr Simon Slesarewich		-	750,000	-	750,000
2019 Retention Rights					
Expiring: 02/05/21; Share hurdle:	$0.00				
Mr Simon Slesarewich		-	750,000	-	750,000

30th June 2018		Holding at 30th Jun 17	Issued	Exercised (E) or Lapsed (L)	Holding at 30th Jun 18
2017 Retention Rights					
Expiring: 22/10/19; Share hurdle:	$0.00				
Mr Ben Hammond[1]		-	357,143	-	357,143
2017 Performance Rights					
Expiring: 22/10/19; Share hurdle:	$0.15				
Mr Ben Hammond[1]		-	1,119,128	-	1,119,128
Mr Alastair Watts		-	895,302	-	895,302
Mr Steve Klose		-	895,302	-	895,302
Mr Gerard Bosch		-	895,302	-	895,302
Mr Gavin Bosch[2]		-	895,302	(895,302) L	-

No other options or rights were granted to key personnel during the reporting period as compensation.

1 Mr Ben Hammond resigned from the Company effective 30 April 2019

14. CONTINGENT ASSETS

On 22nd March 2018 the Group executed agreements to sell the Wilgerup iron ore project and Kimba Gap iron ore project to SIMEC Mining (formerly Arrium Mining) which is a business of OneSteel Manufacturing Pty Ltd ("OMPL"). OMPL will pay royalty streams to Centrex upon commencement of mining at each project. The royalties are capped to a value of A$ 5 million for each project. The per tonne royalty rates and the royalty caps are both indexed annually to CPI (from 2018). If OMPL has not committed to mining either of the projects by the 10th anniversary of the executed agreement the relevant project will be returned at Centrex's election.

15. COMMITMENTS AND CONTINGENT LIABILITIES

Minimum exploration tenement expenditures

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 are listed in detail in Section 10 of the Directors' Report. A summary of these commitments is as follows:

	2019 $'000	2018 $'000
Ardmore (QLD) - Phosphate		
Tenements with annual commitments	247	138
Goulburn (NSW) – Zinc		
Tenements with annual commitments	645*	925*
Oxley (WA) – Potassium Nitrate		
Tenements with annual commitments	469	380

* The annual commitments for the New South Wales tenements are an estimate of the work program to which the Group has committed to undertake over the term of the licence.

Other commitments

At 30th June 2019 the Group had other commitments of $0.061 million relating to construction of the Ardmore Phosphate Rock processing facility for the start-up phase of the project (2018: 0.481 million relating to feasibility study work for the Ardmore Phosphate Rock Project) payable within one year.

Contingent Liability

On 2nd February 2017 the Group executed agreements to purchase the Ardmore phosphate rock project from Southern Cross Fertilisers Pty Ltd ("SCF"), a wholly owned subsidiary of Incitec Pivot Limited. Under the terms of the agreements SCF retain an interest in the project via a 3% gross revenue royalty secured by a registered mortgage over the mining lease (ML 5542). The first ranking security over ML 5542 also secures other monetary and non-monetary obligations associated with the agreements including:

- SCF is entitled to receive 50% of the residual profit of a sale of in excess of a 70% interest in ML 5542 if the transaction takes place within four years from completion (27th June 2017). In such case SCF will forego its 3% gross revenue royalty.
- The Group must pay to SCF a $2 million annual agreement extension fee at the beginning of each year from 27th June 2021 if it has not commenced Mining as defined in the agreements.
- SCF have the right to require ML 5542 be returned to them under certain Breach Events as defined in the transaction agreements with consideration payable to the Group being the lesser of tenement costs incurred by the Group, including acquisition costs, and market value.

Notes to the Consolidated Financial Statements (continued)

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial year, as shown in the Consolidated Statement of Cash Flows, is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

NOTE	2019 $'000	2018 $'000
Cash and cash equivalents	1,268	3,694

(b) Reconciliation of cash flows from operating activities

	2019 $'000	2018 $'000
Loss after income tax	(1,384)	(1,140)
Interest income	(235)	(428)
Depreciation	20	13
Reversal of previous year land impairment	(724)	-
Share options valuation	145	38
Exploration expenditure written off and other JV asset impairments	-	173
Profit on disposal of plant and equipment	-	(96)
Other	(42)	-
Increase in debtors	(45)	485
(Increase) / decrease in tax refund	116	(116)
Increase / (decrease) in payables	91	438
Net cash used in operating activities	(2,058)	(633)

17. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The Company holds 100% interest in the following controlled subsidiaries:

- South Australian Iron Ore Group Pty Ltd;
- Flinders Pastoral Pty Ltd;
- Centrex Phosphate Pty Ltd (previously named Sturt Pastoral Pty Ltd);
- Centrex QLD Exploration Pty Ltd (previously named Port Spencer Holdings Pty Ltd);
- DSO Development Pty Ltd;
- Lachlan Metals Pty Ltd;
- Kimba Gap Iron Project Pty Ltd;
- Centrex Potash Pty Ltd; and
- Centrex Zinc Pty Ltd.

18. SEGMENT REPORTING

The Group operates in one business segment; mineral exploration and one geographical segment; Australia.

19. PARENT ENTITY DISCLOSURES

As at, and throughout the year the parent company of the Group was Centrex Metals Limited.

	Company	
	2019 $'000	2018 $'000
Result of the parent entity		
Profit / (Loss) for the period	(1,428)	(1,060)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	**(1,428)**	**(1,060)**
Financial position of the parent entity		
Current assets	5,768	14,429
Total assets	13,395	14,647
Current liabilities	1,148	1,130
Total liabilities	1,167	1,136
Net assets	**12,228**	**13,511**
Equity of the parent entity		
Contributed equity	41,351	41,330
Share options issues	2,540	2,416
Accumulated losses	(31,663)	(30,235)
Total equity	**12,228**	**13,511**

Commitments and contingent liabilities of the parent entity

The commitments and contingent liabilities of the parent entity are the same as those identified at note 15.

20. EVENTS SUBSEQUENT TO BALANCE DATE

There were no material events that occurred subsequent to the end of the financial year.

Directors' Declaration

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

1 (a) the consolidated financial statements and notes set out on pages 30 to 51, and the Remuneration report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30th June 2019 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2 The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer for the financial year ended 30th June 2019 pursuant to Section 295A of the Corporations Act 2001.

3 The Directors draw attention to Note 1(a) of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Mr David Klingberg AO

Dated at Adelaide this 17th day of September 2019

Independent Auditor's Report

To the Shareholders of Centrex Metals Limited

Report to the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Centrex Metals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The Financial Report comprises:

- Consolidated statement of financial position as at 30 June 2019;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Centrex Metals Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with *the Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key audit matters

The ***Key Audit Matters*** we identified are:

- Going concern basis of accounting; and
- Exploration and evaluation expenditure.

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Going concern basis of accounting	
Refer to Note 1(b) to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**
The Group's use of the going concern basis of accounting and the associated extent of uncertainty is a key audit matter. This is due to the high level of judgement required by us in evaluating the Group's assessment of going concern and the events or conditions that may cast significant doubt on their ability to continue as a going concern. These are outlined in Note 1(b). The Directors have determined that the use of the going concern basis of accounting is appropriate in preparing the financial report. Their assessment of going concern was based on cash flow projections. The preparation of these projections incorporated a number of assumptions and significant judgements. The Directors have concluded that the range of possible outcomes considered in arriving at this judgement does not give rise to a material uncertainty casting significant doubt on the Group's ability to continue as a going concern. We critically assessed the levels of uncertainty, as it related to the Group's ability to continue as a going concern, within these assumptions and judgements, focusing on the following: • the Group's planned levels of operational and capital expenditure, and the ability of the Group to manage cash outflows; and, • the Group's ability to raise additional funds from shareholders or other parties and the projected timing thereof. This included source of funds and feasibility of securing those funds. In assessing this key audit matter, we involved senior audit team members who understand the Group's business, industry and the economic environment it operates in.	Our procedures included analysing the cash flow projections by: • Evaluating the underlying data used to generate the projections. We specifically looked for their consistency with the Group's intentions, as outlined in Directors minutes and their comparability to past practices; • Assessing the planned levels of operating and capital expenditures for consistency of relationships and trends to the Group's historical results and our understanding of the business, industry and economic conditions of the Group; • We assessed the Group's ability to raise additional funds from shareholders or other parties for feasibility, quantum and timing, and their impact to going concern. We read board minutes, used our knowledge of the client, its industry and status to assess the level of associated uncertainty. • We evaluated the Group's going concern disclosures in the financial report by comparing them to: - our understanding of the matter, - the events or conditions incorporated into the cash flow projection assessment, - the Group's plans to address those events or conditions; and, - accounting standard requirements.

Exploration and evaluation expenditure ($23.6m)

Refer to Note 6 Exploration and evaluation expenditure

The key audit matter	How the matter was addressed in our audit
Exploration and evaluation expenditure capitalised (E&E) is a key audit matter due to: • the significance of the balance (being 70.4% of total assets); and, • the greater level of audit effort to evaluate the Group's application of the requirements of the industry specific accounting standard AASB 6 *Exploration for and Evaluation of Mineral Resources*. In particular the conditions allowing capitalisation of relevant expenditure and presence of impairment indicators. The presence of impairment indicators would necessitate a detailed analysis by the Group of the value of E&E. Therefore given the criticality of this to the scope and depth of our work, we involved senior team members to challenge the Group's determination that no such indicators existed. We focused on the presence of impairment indicators in projects with significant capitalised E&E, that may draw into question the continuation of E&E activities. Our testing focussed on the Ardmore Phosphate, Oxley Potassium Nitrate and Goulburn Zinc projects. In performing the assessment we paid particular attention to: • The Group's compliance with key license conditions to maintain current rights to tenure for an area of interest, particularly minimum expenditure requirements; • The ability of the Group to fund the continuation of activities for the areas of interest; and • Results from latest activities regarding the potential for a commercially viable quantity of reserves and the Group's intention to continue E&E activities in each area of interest as a result.	Our procedures included: • Evaluating the Group's accounting policy to recognise exploration and evaluation assets using the criteria in the accounting standard. • Assessing the Group's determination of its areas of interest for consistency with the definition in the accounting standard. • For each area of interest we assessed the Group's current rights to tenure. We did this by comparing the ownership of the relevant license to government registries and testing the Group's compliance with minimum expenditure requirements. • Testing the Group's additions to E&E for the year. We evaluated a sample of recorded expenditure for consistency to underlying records, the capitalisation requirements of the Group's accounting policy and the requirements of the accounting standards. • Checked the documentation from the sources listed below for information regarding results of activities, the potential for commercially viable quantities of reserves to exist and for the Group's intentions to continue activities in relation to its areas of interest. We evaluated this through interviews of key operational and finance personnel and reading of: - Internal plans; - Minutes of board meetings; and - Announcements made by the Group to the ASX. • Assessing the Group's disclosure against the requirements of the accounting standard.

Other information

Other Information is financial and non-financial information in Centrex Metals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors of the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities of the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Centrex Metals Limited for the year ended 30 June 2019, complies with *Section 300A of the Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A of the Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 18 to 22 of the Directors' report for the year ended 30 June 2019.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

17 September 2019

ASX Additional Information (unaudited)

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial Shareholders of Ordinary and Escrow shares

Rank	Name	21st August 2019	
		Units	% of Issued Capital
1	JASON JAMES CHRISP & BAILEY INGHAM TRUSTEES LIMITED <THE CHRISP CXM A/C>	110,905,672	35.13%
2	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	12.80%
3	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	6.94%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,703,442	4.66%
5	MR SIK ERN WONG	8,250,000	2.61%

Distribution of equity holders

Name	21st August 2019	
	Fully paid ordinary and escrow shares	Employee options / rights plan
1 – 1,000	69	-
1,001 – 5,000	120	-
5,001 – 10,000	346	-
10,001 – 100,000	564	-
100,001 and over	155	5
	1,254	5

At 21 August 2019 there were 1,254 holders of a total of 315,685,357 fully paid ordinary shares and there were 162 shareholders holding less than a marketable parcel.

The issued capital of the Company is fully paid ordinary shares (entitling the holders to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held). On a show of hands every holder of the shares present at a meeting in person or by proxy is entitled to one vote and upon poll each share counts as one vote.

Top 20 Holders of Ordinary and Escrow shares

Rank	Name	21st August 2019	
		Units	% of Issued Capital
1	JASON JAMES CHRISP & BAILEY INGHAM TRUSTEES LIMITED <THE CHRISP CXM A/C>	110,905,672	35.13%
2	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	12.80%
3	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	6.94%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,703,442	4.66%
5	MR SIK ERN WONG	8,250,000	2.61%
6	MR MELVIN BOON KHER POH	5,782,404	1.83%
7	KNT INTERNATIONAL CO LTD	5,535,000	1.75%
8	GERARD ANDERSON SUPER PTY LTD	4,000,000	1.27%
9	MR EWE GHEE LIM & MISS CHARLENE YULING LIM	3,750,000	1.19%
10	BNP PARIBAS NOMINEES PTY LTD	3,381,905	1.07%
11	CITICORP NOMINEES PTY LIMITED	3,221,516	1.02%
12	MISS LAY HONG GOH	3,155,101	1.00%
13	MR KIAT POH	2,618,880	0.83%
14	AMALGAMATED DAIRIES LIMITED	2,617,327	0.83%
15	MR DIETER URMERSBACH & MRS ROSMARIE URMERSBACH	2,565,076	0.81%
16	MR YAM POEY CHEW	2,500,000	0.79%
17	MR DIETER URMERSBACH & MRS ROSMARIE URMERSBACH <D & R URMERSBACH S/F A/C>	2,245,555	0.71%
18	J P MORGAN NOMINEES AUSTRALIA LIMITED	2,166,995	0.69%
19	MR KA FAI MARTIN WONG	2,126,455	0.67%
20	PATNA PROPERTIES P/L	2,042,810	0.65%
		243,867,737	77.25%

Company Directory

Company Secretaries

Christine Manuel, appointed 10th May 2019

Mark Terry, appointed 31st October 2018

Principal Registered Office

Centrex Metals Limited

Level 6, 44 Waymouth Street

Adelaide SA 5000

08 8213 3100

08 8231 4014

www.centrexmetals.com.au

Locations of Share Registries

Boardroom Pty Limited

Level 7, 207 Kent Street

Sydney NSW 2000

GPO Box 3993

Sydney NSW 2001

Telephone:	(02) 9290 9600
Fax:	(02) 9279 0664
Email:	enquiries@boardroomlimited.com.au
Web:	www.boardroomlimited.com.au

Australian Securities Exchange

The Company listed on the Australian Securities Exchange on 17 July 2006. The Home exchange is Adelaide.

ASX Codes

Shares: CXM

Auditors

KPMG

Chartered Accountants

151 Pirie Street

Adelaide SA 5000

WWW.CENTREXMETALS.COM.AU