



**30 NOVEMBER 2021**

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS**

Welcome to the shareholders in attendance here today and to those new shareholders who participated in the recent share placement.

I was appointed chairman of your company on the 30th of June 2021 with the support of the retiring chairman Graham Chrisp who has remained on the board as a director and major shareholder.

During Graham Chrisp's tenure as chairman, he recognised that if the Company was going to advance the Ardmore Phosphate Project, industry management expertise would be required, and this resulted in the appointment in May 2021 of Robert Mencil.

Robert was subsequently appointed Managing Director of the Company and already his industry knowledge and contacts have resulted in identifying key management personnel for the delivery and management of the Ardmore Phosphate Project together with potential customers.

In February-March this year, the Company commenced mining operations at Ardmore and mined a relatively small parcel of 25,000 tonnes for processing and sale to the Direct Application Phosphate Rock market. This was an important milestone for the Company and the first step towards a large-scale mining operation. As per the Company's recent ASX announcement, a term sheet was signed with Samsung for the marketing of up to 20% of Ardmore's production in the Asian market. On the back of that announcement and given the gearing up of the Ardmore Project, the Company was able to raise through a share placement arranged by Taylor Collison \$4 million at \$0.09 per share.

What is also positive for the Company's Ardmore Project is the world price for phosphate which is at an eight and half year high together with increased customer demand globally.

The current financial year will see the Company focus on logistical arrangements followed by securing project funding. It is important that the Company accelerates the timing of the Ardmore Phosphate Project, particularly with the current low interest rate environment and global demand, which we hope will set the tone for a very exciting future for the Company and shareholders.

Thank you,

**Peter Hunt**  
**Chairman**



# From Mine to Farm

*Focused on the supply of premium quality Phosphate*



Annual General Meeting - 30 November 2021

[WWW.CENTREXMETALS.COM.AU](http://WWW.CENTREXMETALS.COM.AU)

ASX:CXM

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# Board of Directors

## Mr Peter Hunt

**Chairman (Independent) | Appointed 15/12/20 | Chairman since 30/06/21**

Mr Hunt was appointed initially as a Non-Executive Director of the Company on 15 December 2020. He was a former consultant to BDO Australia, which acquired PKF Adelaide of which Mr Hunt was senior partner in 2012. He is a member of the Institute of Chartered Accountants in Australia.

Mr Hunt is an experienced company director and has been a director and chairman over several decades of a number of ASX listed mineral exploration and technology-oriented companies.

Mr Hunt is a member of the Company's Audit and Risk Management Committee and the Remuneration and Nomination Committee.

## Mr Robert Mencil

**Managing Director | Appointed CEO 24/05/21 | MD since 1/09/2021**

Mr Mencil is an engineering and mining executive with more than 25 years' experience developing and operating a wide range of mining, mineral processing and engineering operations. Previously he held the position of CEO for RONPHOS Corp., the Republic of Nauru's Phosphate company, where he was responsible for production, marketing and export of phosphate to customers throughout Asia and Indian Pacific region. Mr Mencil brings significant senior managerial experience to the role at Centrex, having held the position of Managing Director/CEO of various ASX listed companies in the energy and resource sector.

## Mr Graham Chrisp

**Non-Executive Director | Appointed 21/1/10**

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. As 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) and Lincoln Minerals Ltd and has numerous private interests.

Mr Chrisp is a member of the Company's Remuneration and Nomination Committee.

## Dr A. John Parker

**Independent Non-Executive Director | Appointed 17/12/19**

Dr Parker is a geologist, geophysicist and manager with extensive local and international experience and knowledge of the geology, mineral deposits and mineralizing systems in the Precambrian.

Dr Parker was formerly Chief Geologist with the mapping branch of the South Australian Geological Survey and responsible for the mapping and publication of geological maps throughout South Australia. In the late 1980's he initiated the first geological mapping GIS in Australia, a system that has subsequently been developed to become the global leading GIS, SARIG.

Dr Parker has spent the last 26 years in mineral exploration as Director and Principal Geologist for Geosurveys Australia Pty Ltd including 11 years as Managing Director of Lincoln Minerals Limited and Australian Graphite Pty Ltd. He has made a major contribution to the identification and delineation of graphite, iron ore, copper, lead, zinc, nickel, gold and other mineral resources and prospects in South Australia and has an in-depth knowledge of the global iron ore and graphite industries. He is a JORC qualified Competent Person in iron, graphite, copper and base metals.

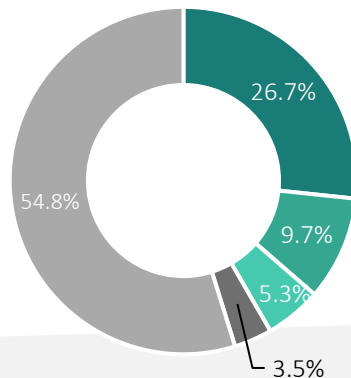
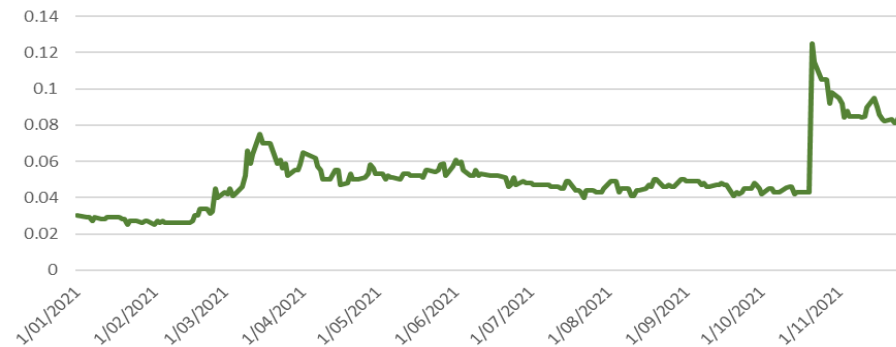
Mr Parker is a member of the Board's Audit and Risk Committee and Remuneration and Nomination Committee.

# Corporate Summary

## Capital Structure

Ordinary shares on issue	415.8 million
Share Price (26 November 2021)	A\$ 0.086
<b>Market Capitalisation (26 November 2021)</b>	<b>A\$ 36 million</b>
Cash September Quarterly 5B	A\$ 2.07 million
Cash (29 November 2021)	A\$ 5.47 million

CXM Share Price



## Shareholding structure

- Chrisp CXM Trust\*: **111 million**
- WISCO International Resources Development & Investments: **40 million**
- Baotou Iron & Steel (Group): **22 million**
- HSBC Custody Nominees: **15 million**
- Other

\* Entity associated with Graham Chrisp

# Company Overview



## Flagship Ardmore Phosphate project







- 10 year mine life in Reserves<sup>1, 6</sup>
- High grade product
- Located on granted mining lease<sup>2</sup>

Note: Footnotes are in appendix

# Phosphate Rock Market

- Phosphorous is one of three essential elements for plant nutrition, the other two being potassium and nitrogen
- No substitutes for phosphorus in agriculture
- 75% of phosphate rock is used in the production of phosphoric acid which in turn is used for making nitrophosphates such as DAP and MAP.
- Another major use is in the production of lower phosphorous grade single superphosphate (SSP)

← **Overall phosphate rock demand ~ 223 M/t in 2020** →

Wet-process phosphoric acid: 70/80%					Elemental phosphorous	Straight rock	
NPKs	DAP, MAP, TSP	Fused phosphates	Animal feed phosphates	PPA/SPA	Thermal phosphoric acid	Other derivatives	SSP, DAPR
							

**Phosphate rock is the starting point for all downstream phosphate products\***

\* Source: CRU



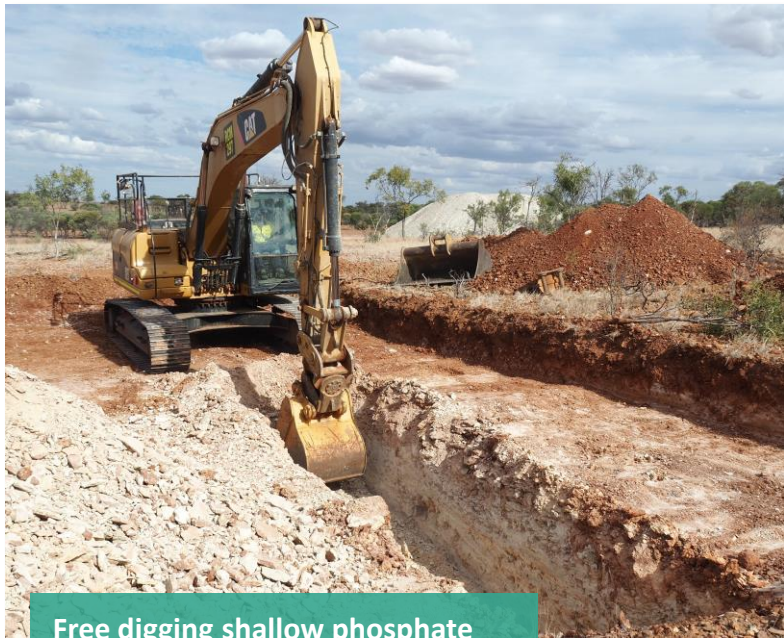
# Ardmore Phosphate Rock Project

*A uniquely positioned, low risk project delivering premium quality product to the fertiliser market*





# Resources and Reserves



**Free digging shallow phosphate rock at Ardmore - 2018**

	Category	Million Tonne	P <sub>2</sub> O <sub>5</sub> %
Mineral Resources <sup>2</sup>	Measured	3.3	29.8%
	Indicated	11.1	27.4%
	Inferred	1.7	26.8%
	<b>Total</b>	<b>16.2</b>	<b>27.8%</b>
Ore Reserves <sup>1,3</sup>	Probable	7.3	30.2%
	Proven	2.8	30.3%
	<b>Total</b>	<b>10.1</b>	<b>30.2%</b>

- Low risk and cost, free-dig open cut strip mining
- 1 million dry tonnes per annum processing rate to produce 800,000 wet tonnes of premium grade concentrate

The results were reported under JORC 2012 and Centrex is not aware of any new information or data that materially affects the information contained within the release.

All material assumptions and technical parameters underpinning the estimates in the presentation continue to apply and have not materially changed.

Note: Footnotes are in appendix

# Ardmore Investment Highlights

## Phosphate market

- High agricultural commodity prices driving high fertilizer demand.
- China and Russia have imposed export restrictions.
- Benchmark North Africa FOB price increased 84% in the past 12 months.
- Shift away from disputed and high cadmium Moroccan exports from Western Sahara region.
- Limited high grade phosphate rock capacity globally.

## Premium quality product

- Premium grade phosphate rock product which is in high demand globally
- Unique ultra-low cadmium content provides capability to be used by local manufacturers without the need for blending

## Project economics<sup>1</sup>

- August 2021 Updated DFS for Ardmore Project gives ungeared pre-tax **NPV<sub>7</sub> of A\$ 207m** and **IRR of 52%**
- Project Capex **A\$78m** providing initial payback of **< 2 years**
- 10 year mine life in Reserves
- Assumed North Africa Benchmark Price FOB US\$135/t
- Assumed Exchange rate US\$0.74:A\$1.00
- Further upside through improved logistics, reverse flotation, increased resource to reserve conversion and exploration potential.

## Risk profile

- Simple open cut operation, low cost, low strip ratio mining located on granted mining lease
- Simple processing using traditional and well understood techniques
- Resource well known, DFS<sup>1</sup> has derisked development and execution risk

# Ardmore Development

## Stage 1 Direct Application Phosphate Rock (DAPR)

- 27,000 tonnes mined in February 2021. *Complete*
- Crushing and screening trial. *Complete*
- Direct sales to customers. *Commenced*
- Value adding inoculant research and development. *Commenced*
- Brand establishment (Agriflex/GreenPro+). *Complete*
- 5,000 tonnes carted to Mt Isa for processing. *Underway*
- Contract crushing, screening and bagging. *Underway*

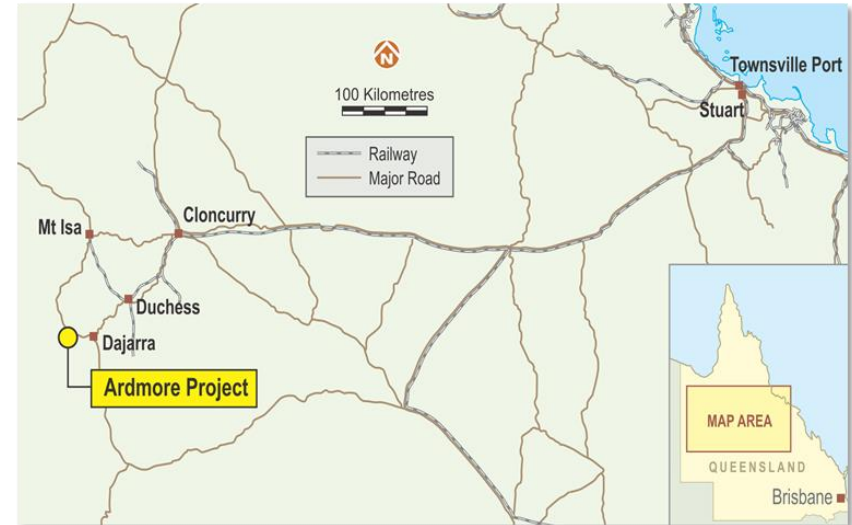




# Ardmore Development

## Stage 2 Beneficiated Product (Trial shipments) – 25,000 tonnes

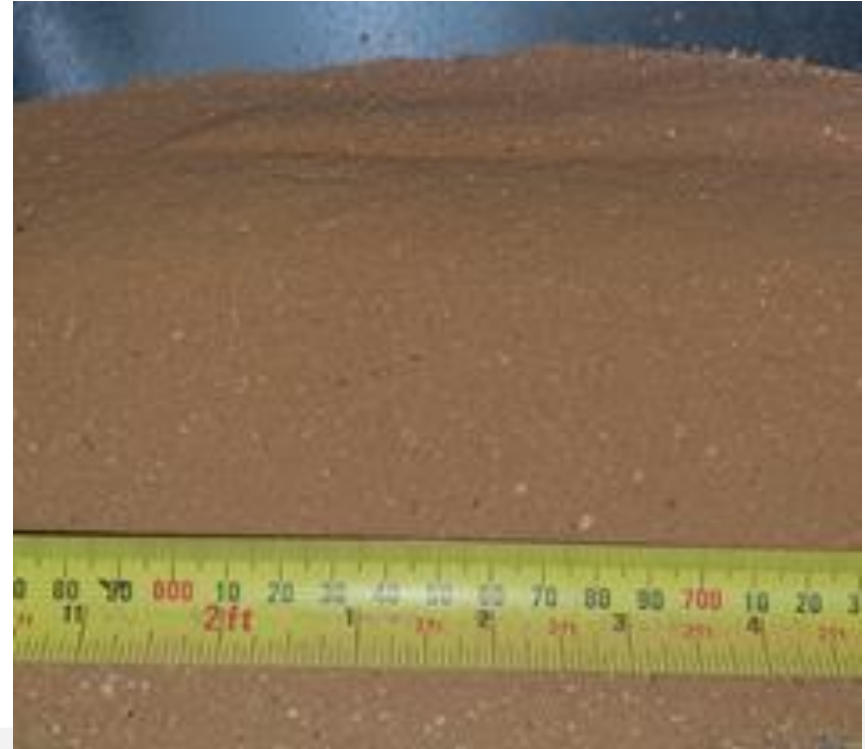
- GR Engineering Services engaged to complete trial plant engineering. *Commenced - scheduled to be complete mid January 2021*
- Key Recruitment. *Commenced*
- Temporary logistics solution. *Complete*
- Updated Environmental Authority. *Underway*
- Trail shipment customer sales negotiations. *Underway*
- Potential for expanded trial shipments - up to 114,000 tpa



# Ardmore Development

## Stage 3 Beneficiated Product (800,000 tonnes per annum)

- DFS updated August 2021.
- Project Team to be formed early 2022 to complete Front End Engineering (FEED).
- BurnVoir Corporate Finance and Naust Capital appointed as joint financial advisors to arrange project financing.
- Financial Investment Decision (FID) expected October 2022.



# Marketing

- Southern Cross Fertilizer hold a 30% right of first refusal over available annual production
- Samsung appointed as sole and exclusive Marketing Representative for sales into Korea, Japan, Indonesia, India and Mexico, whereby Samsung has 20% right of first refusal over available annual production for first 3 years.
- In addition, Samsung may also assist the Company with sales of any additional quantity of product not taken by other off takers.
- Detailed discussion underway with a number other potential customers.

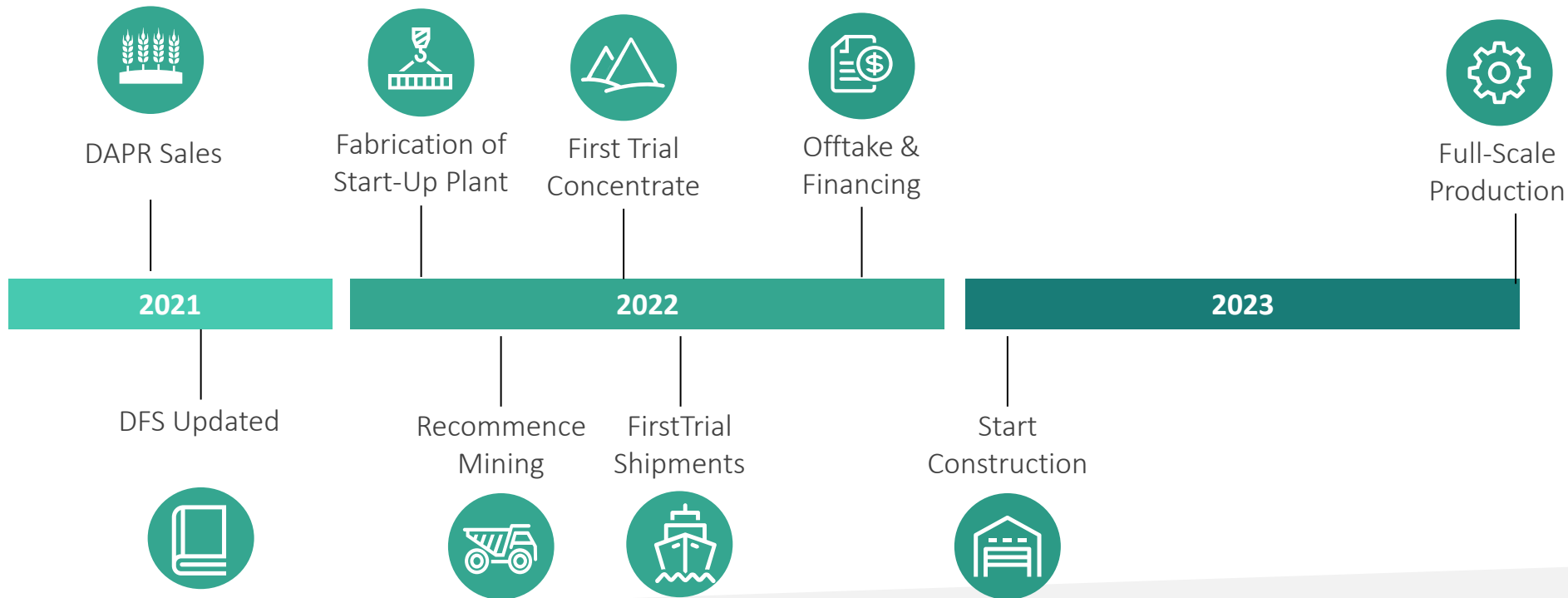
**Ardmore run of mine ore SSP trial at manufacturer in the local region<sup>8</sup>**



Note: Footnotes are in appendix



# Value Milestones – Progress To Full- Scale Production



# Investment Summary



Progressing a **high-grade** Queensland phosphate rock project on granted mining lease with **established infrastructure**



Start-up mine to confirm offtake, processing and logistics



Simple open cut mine with **10 year** mine life producing **800,000t per annum**



Potential to increase mine life via conversion of Resources to Reserves and near mine exploration



De-risked via optimised DFS and attractive project economics, pre-tax **NPV<sub>7</sub> of A\$ 207 million** and **IRR of 52%**



Tightly held share register



Unique **premium phosphate** grade ultra **low cadmium** product in high demand, significant **freight advantage** over current suppliers

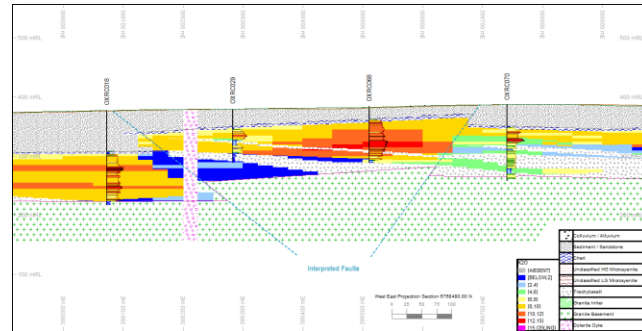
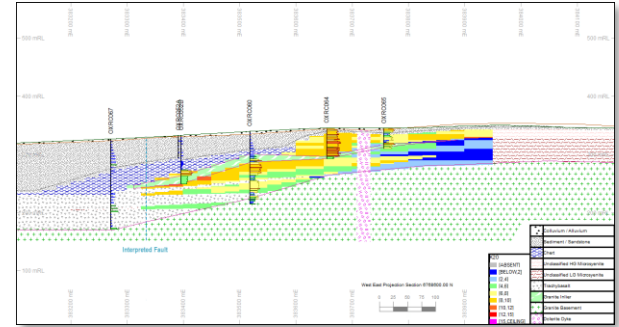


Further value to be unlocked from Oxley and Goulburn

# Other Projects

# Oxley Potassium Deposit

- 32km striking globally rare ultrapotassic lava flow
- Dominantly composed of potassium feldspar
- Outcropping and shallow dipping meaning simple open cut mining
- Current 155 million tonne Inferred Resource at 8.3% K<sub>2</sub>O (6% K<sub>2</sub>O cut-off) over just 3km section of deposit
- Inferred Resource includes 38 million tonne at 10% K<sub>2</sub>O (9% K<sub>2</sub>O cut-off)
- Rock chips over entire 32km length shows consistent high potassium grades up to 14% K<sub>2</sub>O

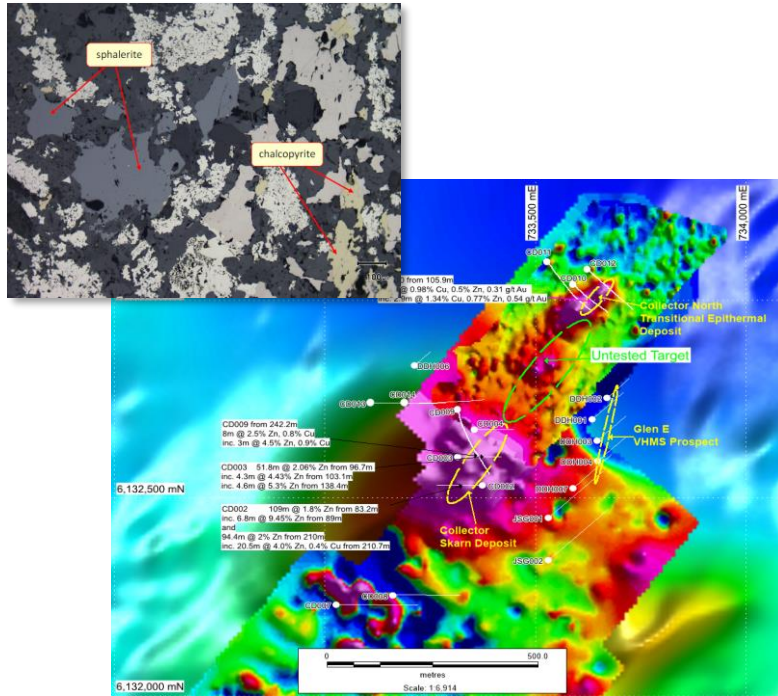


For full details of the Inferred Mineral Resource please see announcement 8<sup>th</sup> March 2016:

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

The results were reported under JORC 2012 and Centrex is not aware of any new information or data that materially affects the information contained within the release. All material assumptions and technical parameters underpinning the estimates in the announcement continue to apply and have not materially changed.

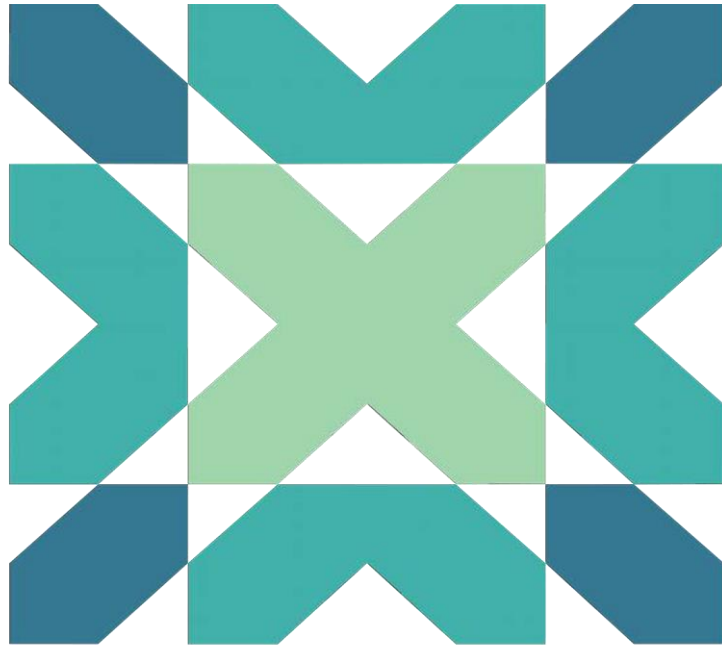
# Goulburn Zinc Project



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

For full details of the DDH C2 drilling results see announcement 17<sup>th</sup> June 2014; <http://www.asx.com.au/asxpdf/20140617/pdf/42q7znkpj7hkbv.pdf>

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**CENTREX**

## Primary Brand (Holding Company)



Discovering and developing solutions to meet the world's resource needs.

### CENTREX BRAND TREE

#### Sub Brands



(fertilizer, inoculants, animal feeds)

Mission Statement

Vision

0- 3 year Road map

Brand connects with the  
agriculture industry.

Sub Brands -



#### MATERIALS FOR SHELTER

Building Materials  
Fe, Zn, Mn, other building  
materials

Mission Statement

Vision

2- 5 year Road map

This brand will connect with  
the metals/building industry.

#### MATERIALS FOR WATER

Purification treatments

Mission Statement

Vision

2- 5 year Road map

This brand will connect with  
the water industry.

#### MATERIALS FOR ENERGY

Materials  
P, Cu, Pb, Ni, C, Bio Gas, N

Mission Statement

Vision

2- 5 year Road map

This brand will connect with  
the energy industry.

#### MATERIALS FOR AIR

Carbon abatement/sequestration .

Mission Statement

Vision

2- 5 year Road map

This brand will connect with  
the clean air industry.



# Thank you

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# Appendices & Notes

# Competent Person Statement

The information in this report relating to Mineral Resources is based on and accurately reflects information compiled by Mr Jeremy Clark of RPM, who is a consultant and adviser to Centrex Metals Limited. Mr Clark is a Member of the Australian Institute of Geoscientists and has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Clark consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

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

## References

1. ASX Release (12 August 2021) –Ardmore Project Updated Definitive Feasibility Study
2. ASX Release (1 June 2018) – Updated Mineral Resource Estimate Complete
3. ASX Release (8 October 2018) – Ardmore Feasibility Study Results & Ore Reserves