



ASX Announcement

22nd November 2016

Presentations to the Annual General Meeting

Please find attached copies of the Chairman's address and CEO's presentation which will be made today at the Company's Annual General Meeting.

For further information, please contact:

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22nd November 2016

CHAIRMAN'S ADDRESS TO THE 2016 ANNUAL GENERAL MEETING

Dear Shareholders,

The 2016 financial year finished just as the Oxley Potassium Project Scoping Study was being finalised. The Company's positive outlook for this project was confirmed with an independent review of the Scoping Study results which indicated the basis for a globally competitive operation with significant upside for large-scale expansion from the world class deposit. In early August 2016 the Company announced the approval of the Prefeasibility Study (PFS) which takes the project into the next phase of development.

The Company was advised that it may not release cost estimates or financial results while the project is based solely on Inferred Mineral Resources. Once the Company has defined a significant portion of Indicated Mineral Resource it will be able to make public key financial information including: annual production; scale; operating and capital cost; as well as economic returns. It is envisaged that the Company will commit to the further exploratory drilling early next year. In the meantime Centrex will gradually increase its investor relations activity focussing on those competitive advantages for the project that are able to be disclosed.

A number of independent recognised engineering firms contributed to the finalisation of the Scoping Study. Following on from their role in 2015 of assessing processing route options and establishing the bench scale testwork program, Amec Foster Wheeler provided engineering design along with preparation of initial capital and operating cost estimates. Clough completed a conceptual study into the construction of the nitric acid plant at the Oxley site which fed into the Scoping Study. Numerous other organisations were utilised not just in Australia but globally in Canada, the US, and Germany where the leading technical centres exist for the processing circuit components considered in the study.

The work to date has provided a number of technical routes for production of potassium fertilisers from the Oxley potash feldspar rich deposit. Preliminary engineering has already commenced to further analyse and select the most economical of these routes that will form the basis of the PFS. Swiss based licensor and engineering firm Casale have been engaged to complete a feasibility study for ammonia and nitric acid plants located at Oxley. Separately Canadian based potash engineering experts Novopro have been engaged to analyse and recommend optimisations of the hydrometallurgical circuit, and Hatch for the pyrometallurgical circuit.

From a funding perspective your Board continues to hold the view that it does not currently have surplus capital for distribution as it progresses Oxley towards a Bankable Feasibility Study. It is also considering additional non-ferrous acquisitions that could also provide near term value. The Board regularly reviews its capital position and when prudent will reward shareholders with further special dividends however in light of the sustained poor appetite for funding of junior explorers it is not considered appropriate to change the capital position until Bankable Studies have



been completed on Oxley or funding partners have been secured. The continued progression of Oxley is the best opportunity for medium term growth in the share price.

In addition to the work being undertaken in the PFS the Company will soon commence some very exciting research to be conducted at the University of South Australia (UniSA) with support from the Minerals Research Institute of Western Australia and the Mining, and Petroleum Centre of Excellence (an initiative of the South Australian Government). It is pleasing that our Company has been able to identify synergies with current research streams that have application to the project. Should the research prove successful it could result in a further step change for the project in terms of its cost and economic return.

The drilling earlier this year at the Goulburn zinc project has highlighted some good geophysical targets. While the Company remains optimistic about the opportunity for this project, especially in light of the improving outlook for zinc, the likelihood of further extensive drilling to unlock the value of this project sees the Company now looking for partners in this project to fund the next stage.

Consistent with the Company's diversification strategy and the focus on the Oxley Potassium Project has been the shift away from iron ore. Centrex has continued to rationalise its iron ore portfolio and during the year disposed of surplus land holdings as well as putting in place an agreement with Baotou Iron & Steel (Group) Co. ("Baotou") to bring Centrex's involvement with the Bungalow joint venture to a close. The Company has also reached a resolution with Wugang Australian Resources Investment Pty Ltd ("WARI") that will bring to an end the Port Spencer joint venture and place the Eyre Iron joint venture on care and maintenance.

Before I hand over to our Chief Executive Officer, Mr Ben Hammond I would like to take this opportunity to thank him and his small team for their continued efforts to progress the Company's projects.

David Klingberg AO FTSE
Non-Executive Chairman
Centrex Metals Limited



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



NOVEMBER 2016

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FORWARD LOOKING STATEMENTS

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to Centrex Metals Limited ('Centrex' or the 'Company').

Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general

economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company does not undertake any obligation to publicly update or revise any of the forward looking statements or any change in events, conditions or circumstances on which any such statement is based.

Forward looking statements include, but are not limited to, statements concerning Centrex's planned exploration program, targeted resources, commencement of product export and other statements that are not historical facts. When used in this document, the words such as "could", "target", "plan", "estimate", "intend", "may", "aim", "potential", "should", and similar expressions reflected in these forward-looking statements are reasonable, such as statements involving risks and uncertainties and no assurance can be given that actual results be consistent with these forward-looking statements.

Undervalued or Misunderstood?

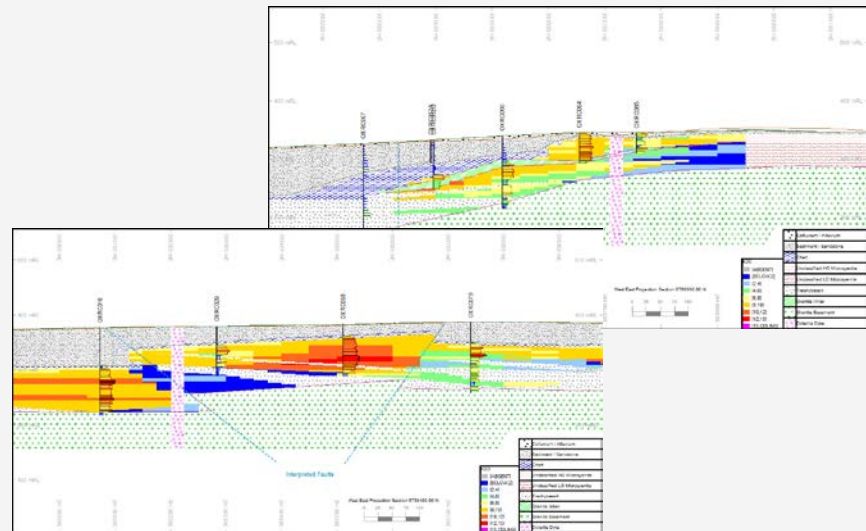
- 155 million tonne potassium Mineral Resource
- Only 3km of overall 32km striking deposit drilled for resources
- Positive Scoping Study for start-up high-value potassium nitrate fertiliser operation completed
- Huge expansion potential
- Prefeasibility Study started
- A\$ 27 million cash at bank
- Market Capitalisation @ A\$ 0.064 = A\$ 20 million
- Negative A\$ 7 million EV ???



Oxley Potassium Project

Oxley Potassium Deposit

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

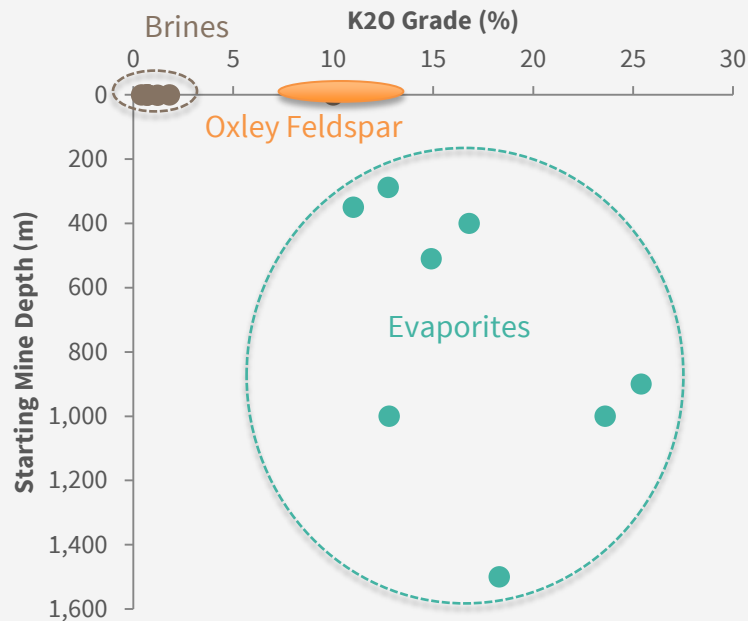


For full details of the Inferred Mineral Resource please see announcement 8th March 2016:

<http://www.asx.com.au/asxpdf/20160308/pdf/435nrchjm48mjl.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.

Why a Potassium Feldspar Deposit?



- Potassium fertilisers traditionally sourced from either mixed evaporite salt deposits deep underground, or very low potassium grade natural brines at surface
- The existing operations are not direct ship ores and require significant processing
- Oxley is the happy medium between low mining costs and reasonable grades
- Oxley has existing roads and rail to the Port of Geraldton just 125km to northwest, order of magnitude less export logistics than a lot of current producers e.g. Canada, Russia
- Limited potassium mining exists in Asia outside China giving Oxley a large freight advantage over the majority of producers

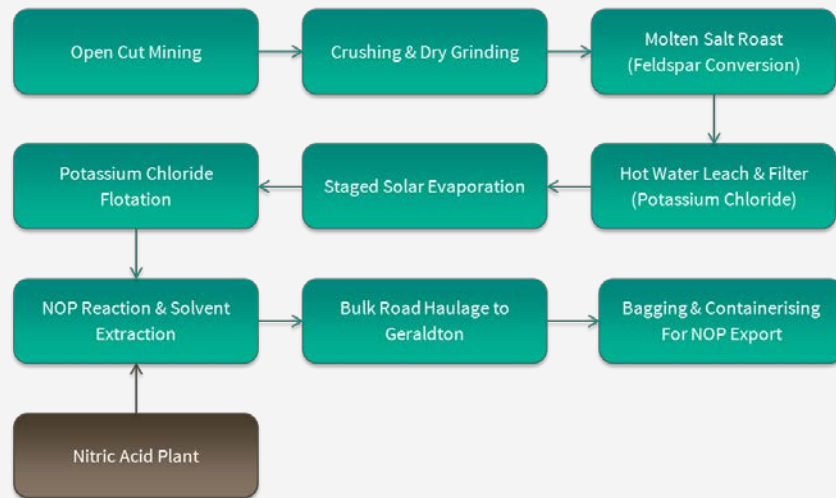
What is Unique About Oxley

- Lot's of ultrapotassic potash feldspar rich deposits exist but they are generally small scale circa 1 to 10 million tonne pipelike intrusives such as pegmatites
- Oxley is an ultrapotassic microsyenite lava flow that formed from a failed continental rift
- It is flat lying, outcropping and two orders of magnitude larger than these other potash feldspar deposits, so it has the scale required to achieve commercial fertiliser production
- A similar deposit exists in Brazil but it is >1,000km inland
- Oxley is not only a rare deposit but it happens to be close to an existing port (125km) and near plenty of infrastructure (gas, power, roads, rail)
- This makes it very hard to replicate

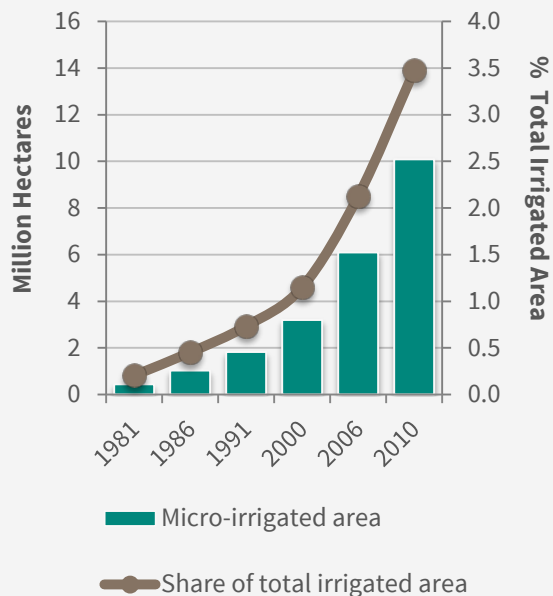


Scoping Study Basis

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



Why NOP?



Graph Source: ICID; Potassium Sulphates & Potassium Nitrate Market Outlook, 2015, CRU

- External analysis for Centrex for NOP exports from Geraldton in 1t bulka bags within containers showed achievable average long-term pricing of \$US 870/t FOB
- Three times the price of MOP, but NOP for smaller horticulture market as chloride free and highly soluble
- Potassium sulphate (SOP) another chloride free mid-range price and scale option but much less soluble than NOP
- Growth in micro-irrigation due to water scarcity driving accelerated NOP use globally
- Smaller scale NOP start-up means lower capital entry point
- Large scale of Oxley deposit means no constraints on MOP or SOP expansions after start-up NOP operation
- Low cost Western Australian gas nearby for competitive nitrate production



NOP Market

- Global NOP production is from four dominant countries; Chile, Israel, Jordan and China
- Chile and Far Western China the only primary potassium production operations (brines)
- Dominant supply to Asia and Australasia is from secondary production in Israel (external MOP feedstock, ammonia import)
- China is a large consumer and producer but minimal exports due to majority high-cost secondary production and lower quality
- Australia itself a significant NOP importer >30,000tpa



Roasting Testwork



- Centrex has completed around 70 bench scale roast tests including static, rotary kiln, and fluid bed
- Testwork has demonstrated >90% leach extraction of potassium
- Primary reaction is ion exchange
- $\text{KAlSi}_3\text{O}_8 + \text{NaCl} + \text{Heat} = \text{KCl} + \text{NaAlSi}_3\text{O}_8$
- Small-scale continuous pilot trial of furnace to be undertaken in Prefeasibility Study
- Pilot plant to be commissioned in Bankable Feasibility Study

Oxley Regional Infrastructure



- A sealed main road runs straight past the project site connecting through to the Port of Geraldton
- Start-up operation to haul bulk in road trains to 3rd party storage facilities where product will be bagged and containerised for export
- Gas to be piped to site from connection into Western Australia gas network in the Perth Basin
- Gas to be used for onsite power generation as well as furnace operations, and potentially ammonia production
- Centrex holds adjacent tenement to Oxley covering a brine deposit for salt make-up and potentially process water
- Additional local aquifers currently being assessed

Where to From Here?

- Prefeasibility Study has commenced, targeted for completion in 2017
- Further engineering reviews underway by multiple global experts in each key field
- Crushing and grinding – CITIC SMCC
- Roasting Circuit – HATCH
- Hydrometallurgical Circuit – Novopro
- Review to provide go-forward option to underpin small-scale pilot test to start first half of 2017
- Drilling in 2017 to expand resource area and convert

Inferred to Indicated Resources to allow publishing of cost estimations

- Prefeasibility Study to consider start-up NOP operation and expansion into bulk potassium fertilisers (e.g. MOP and SOP)
- Centrex able to self-fund project development through to project financing



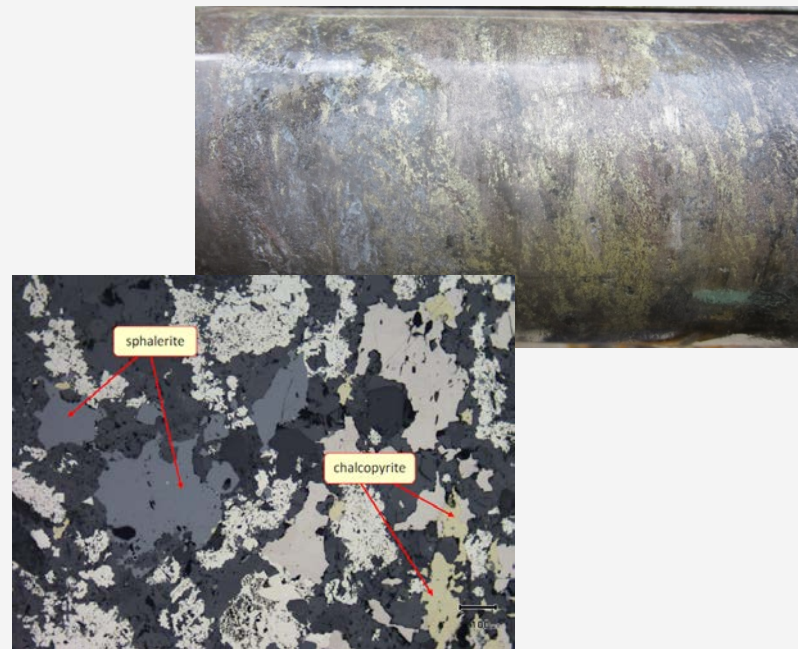
UniSA Research

- Western Australian & South Australian Governments providing grant funds for molten salt mineral processing research at UniSA
- Research to be undertaken as an extension to UniSA's existing molten salt solar thermal storage systems facility
- UniSA also contributing cash funds with A\$ 390,000 of external funding conditionally committed in total from all three parties
- Research to consider potential for a second generation process circuit at Oxley undertaking all processing steps in a molten salt environment



Goulburn Polymetallic Project

- Gravity survey completed during the year provided further targets adjacent to known massive sulphide mineralisation
- Two additional diamond holes completed to test a gravity target adjacent to the Collector Deposit showed further zinc and copper mineralisation
- Down hole EM survey modelling has inferred two strong off-hole conductors, one proximal to known mineralisation and another at depth
- Consideration being given to seeking a partner for further exploration



South Australian Iron Ore

- Continuing to diversify away from iron ore and close out portfolio
- 5 year Retention Lease gained for gain for Kimba Gap Magnetite Project
- Pursuing sales for Kimba Gap and Wilgerup 100% owned assets
- Negotiated with WISCO to wind-up Port Spencer, Eyre Iron Magnetite Joint Venture on care and maintenance
- Exiting Bungalow Magnetite Joint Venture
- Land holdings on the Eyre Peninsula reduced to Port Spencer land only – options being considered for divestment
- A\$ 4.6 million cash recovered from iron ore portfolio during the year



Thank You



