CENTREX METALS LIMITED

ASX Announcement March 2015

OXLEY POTASH PROJECT

General Manager 8th March 2015

The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

CENTREX TO ACQUIRE OXLEY POTASH PROJECT IN WESTERN AUSTRALIA

Highlights

- Centrex to acquire Oxley Potash Project in Western Australia for A$ 2.5 million
- Rare high potassium grade potash feldspar dominant microsyenite
- Centrex to investigate processing routes for a vertically integrated operation producing high value potassium products
- Relatively thick, 32km long, outcropping, and shallow dipping microsyenite means potential for scale and favourable mining costs
- Ideally located close to existing infrastructure including roads, rail, gas, power, and 125km from Geraldton Port
- Processing options review and bench scale testwork to commence upon completion

Summary

Centrex Metals Limited ("Centrex") has entered into a purchase agreement with ASX listed Sheffield Resources Limited ("Sheffield) for 100% of the Oxley Potash Project ("Oxley") in Western Australia for A$ 2.5 million subject to required government consents, tenement transfers, and Centrex entering into deeds of consent and assumption for relevant third party agreements. Centrex will pay a deposit of A$ 1 million on signing that is refundable if conditions precedents are not fulfilled by 31 May 2015.

Oxley comprises 6 adjacent exploration licenses that cover an unconventional hard-rock style of potash mineralisation, hosted in a series of ultrapotassic microsyenite lava flows, which contain up to 90% potash feldspar. The host rocks are exposed at surface and dip gently under cover in a series of open folds over a total strike length of approximately 32km.

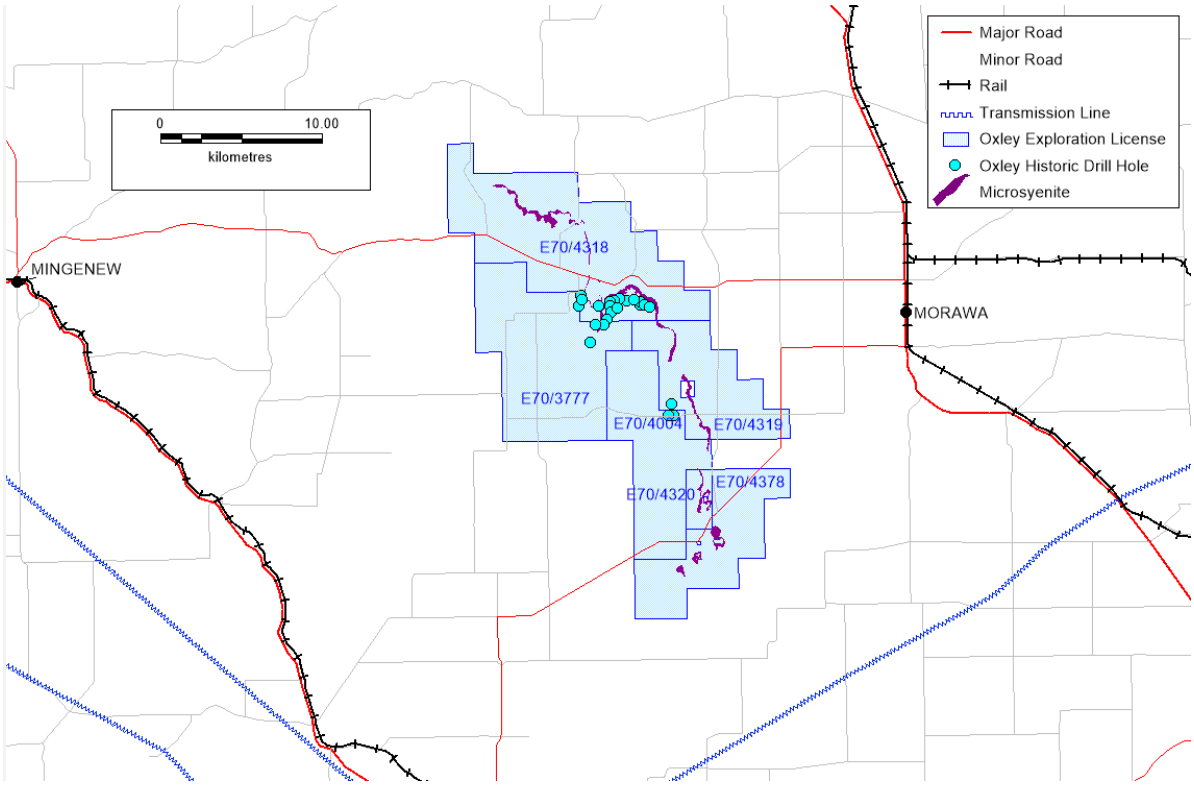


Figure: Oxley tenement, target geology and historical drilling location map.

Ultrapotassic rocks in themselves are rare and generally defined as containing >3% K_2O. Sheffield completed drilling in 2013 over an 8km section of the target ultrapotassic microsyenite unit completing 17 RC and 3 diamond drill holes. Using a 6% K_2O cut-off, the drilling results show down-hole combined interval thicknesses of up to 72m, and weighted average combined interval grades of up to 10.1% K_2O. Full results are shown in the Appendix.

Exploratory physical beneficiation work was completed on Oxley by AMEC Australia Pty Ltd ("AMEC") for Sheffield in 2014, for considering production of ceramic grade feldspar, as well as a market review of potassium products that could be produced by other potential processing routes.

Centrex intends to build upon the recommendations of the review by considering both pyrometallurgical and hydrometallurgical routes to leach potassium from the feldspar in order to produce higher value potassium products such as; granular muriate of potash ("MOP", KCl), granular sulphate of potash ("SOP", K_2SO_4), nitrate of potash ("NOP", KNO_3), caustic potash (KOH), or potassium carbonate (K_2CO_3).

A market review by Centrex showed that for products other than MOP, the majority of production is indirect using industrial processes with MOP as a potassium feed source. The review also showed much of the production of these second and third order products is not vertically integrated with potassium mining operations, importing MOP for their production and thus heavily impacted by its cost. A direct route to these second or third order products for a vertically

integrated potassium mining play could provide a competitive advantage. The market review also highlighted a potential freight advantage for Oxley to the major Asian markets.

Oxley is located close to existing infrastructure and 125km from the Port of Geraldton. Port transport options include via 145km of existing sealed roads, or alternatively via either of two rail lines running 15km and 25km east and west of the project respectively. A major gas pipeline is located 70km west that could provide gas for ammonia production if required, as well as for power generation. A 330KV transmission line runs 40km southeast of the project, or a 132KV line 65km west.

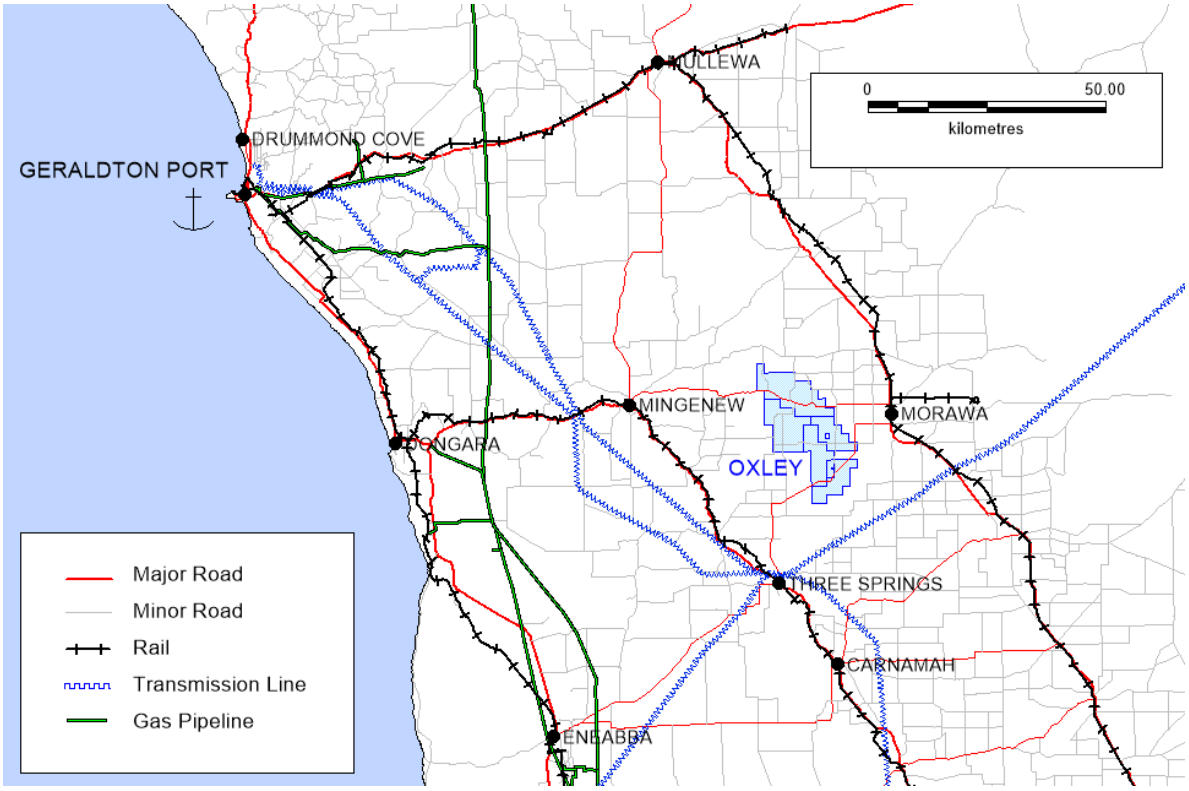


Figure: Oxley infrastructure location map.

Whilst flowsheets for creating high value potassium products from potash feldspar have been and continue to be investigated for several projects around the world, Centrex sees a combination of factors that make Oxley a rare and unique opportunity for developing a commercial scale operation:

- A rare very high potassium grade, relatively homogeneous potash feldspar dominant microsyenite which will lend itself well to developing a process flowsheet where reduced complexity generally leads to reduced costs;
- A thick outcropping and shallow dipping unit over 32km in length meaning the ability to achieve scale for any successful process as well as having relatively favourable mining costs;
- Existing infrastructure in close proximity including roads, rail, gas, power and a port, lowering required start-up capital costs; and
- Close to an existing port that itself is close to major Asian consumers compared to the majority of potash production in the northern hemisphere leading to a likely logistics advantage.

This combination of factors appears hard to replicate globally.

Upon completion of the proposed acquisition Centrex intends to undertake a review of all possible processing routes for Oxley and commence bench scale testwork for the preferred options.

Centrex CEO Ben Hammond commented about the acquisition:

"The Oxley project has a number of synergies with Centrex's existing bulk commodities business. The infrastructure scales, logistics distances and options are very similar to Wilgerup where we have a lot of existing knowledge. The main contaminant in the rock is iron which Centrex has significant mineral processing experience in removing, albeit from the opposing product perspective. This project represents a good strategic fit with both our business and our networks in China and India."

For further information please contact:

Ben Hammond
Chief Executive Officer
Centrex Metals Limited
Ph (08) 8100 2200

Gavin Bosch
CFO & Company Secretary
Centrex Metals Limited
Ph (08) 8100 2200

Appendix – Technical Information.

Table 1: Sheffield drillhole details.

Hole	Drill Type	Easting	Northing	Elevation	Hole Depth	Date Completed	Azimuth	Inclination
OXDD001	Diamond	6768448	387133	383	65.9	21/04/2013	0	-70
OXDD002	Diamond	6768713	386295	376	118.8	26/04/2013	0	-70
OXDD003B	Diamond	6768534	385445	367	173.8	6/05/2013	0	-70
OXRC001	RC	6768628	387119	379	118	22/04/2013	0	-90
OXRC002	RC	6768782	386749	388	118	23/04/2013	0	-90
OXRC003	RC	6768809	385851	368	124	23/04/2013	0	-90
OXRC004	RC	6768724	385490	366	94	24/04/2013	0	-90
OXRC005	RC	6768654	385263	373	100	24/04/2013	0	-90
OXRC006	RC	6768373	385264	362	112	25/04/2013	0	-90
OXRC007	RC	6767978	385280	360	136	26/04/2013	0	-90
OXRC008	RC	6767534	385055	363	124	26/04/2013	0	-90
OXRC009	RC	6768243	385673	369	40	27/04/2013	0	-90
OXRC010	RC	6767189	384851	362	100	27/04/2013	0	-90
OXRC011	RC	6768361	383334	329	175	29/04/2013	0	-90
OXRC012	RC	6767186	384368	352	89	29/04/2013	0	-90

OXRC013	RC	6769044	383464	333	88	30/04/2013	0	-90
OXRC014	RC	6768369	384554	368	160	1/05/2013	0	-90
OXRC015	RC	6768747	383523	335	61	1/05/2013	0	-90
OXRC016	RC	6768460	387380	377	40	1/05/2013	0	-90
OXRC017	RC	6768304	387700	381	25	2/05/2013	0	-90

Table 2: Details of mineralised intercepts >6% K_2O.

Hole	From (m)	To (m)	Interval (m)	K_2O (%)	Fe_2 (%)	MgO (%)	CaO (%)	Comment
OXDD002	20.5	21	0.5	8.2	15.6	2.1	0.0	
OXDD002	22	24	1	7.0	16.6	2.3	0.0	
OXDD002	25	36	11	9.5	13.3	1.4	0.5	
OXDD002 Weighted Average			**12.5**	**9.3**	**13.7**	**1.5**	**0.4**	
OXDD003B	71	85	14	7.4	14.1	3.5	3.3	
OXDD003B	97	98	1	6.3	15.6	8.1	1.8	
OXDD003B Weighted Average			**15**	**7.4**	**14.2**	**3.8**	**3.2**	
OXRC001	39	59	20	8.4	12.4	4.6	2.4	
OXRC001	60	83	23	8.4	11.5	6.5	3.7	
OXRC001	84	86	2	7.4	8.9	6.9	5.2	
OXRC001	88	97	9	9.0	8.8	6.3	5.1	
OXRC001	98	107	9	8.8	7.2	6.3	5.9	
OXRC001 Weighted Average			**63**	**8.5**	**10.7**	**5.8**	**3.8**	
OXRC002	35	85	50	8.7	13.1	4.4	2.3	
OXRC002	86	107	21	8.4	12.5	5.1	4.3	
OXRC002 Weighted Average			**71**	**8.6**	**12.9**	**4.6**	**2.9**	
OXRC003	48	49	1	7.9	15.8	1.8	0.8	
OXRC003	50	60	10	8.1	13.5	3.7	4.3	
OXRC003 Weighted Average			**11**	**8.1**	**13.7**	**3.5**	**4.0**	
OXRC004	41	42	1	6.7	14.0	0.9	0.1	
OXRC004	43	54	11	8.4	14.4	2.3	2.4	
OXRC004	59	61	1	6.9	12.1	6.4	3.5	
OXRC004	62	65	3	7.2	12.3	7.0	2.1	
OXRC004 Weighted Average			**16**	**8.0**	**13.8**	**3.4**	**2.2**	
OXRC005	45	48	3	8.4	3.8	0.6	0.2	
OXRC005	50	67	17	8.2	13.9	3.5	4.3	
OXRC005	68	69	1	7.2	12.8	6.2	4.3	
OXRC005 Weighted Average			**21**	**8.2**	**12.4**	**3.2**	**3.7**	
OXRC006	100	101	1	7.9	13.8	5.0	4.7	
OXRC006	102	105	3	6.3	15.5	7.1	4.2	
OXRC006 Weighted Average			**4**	**3.4**	**7.5**	**3.3**	**2.1**	**Dolerite dyke, no significant microsyenite intervals**
OXRC007	77	101	24	7.8	12.9	3.7	4.5	
OXRC007	102	106	4	7.5	11.2	7.3	5.3	
OXRC007	107	108	1	8.1	13.4	6.8	3.4	
OXRC007 Weighted Average			**29**	**7.7**	**12.7**	**4.3**	**4.6**	

OXRC008	**77**	**80**	**3**	**6.7**	**11.1**	**2.0**	**0.5**	**Dolerite dyke, no significant microsyenite intervals**
OXRC009	**3**	**13**	**10**	**6.5**	**6.6**	**1.0**	**0.0**	**Ultrapotassic tuff, no microsyenite**
OXRC010	34	48	14	9.3	13.4	3.1	3.3	
OXRC010	50	51	1	6.6	13.0	6.5	3.3	
OXRC010 Weighted Average			**15**	**9.1**	**13.4**	**3.3**	**3.3**	
OXRC011	139	140	1	7.0	9.1	3.8	0.2	
OXRC011	143	145	2	6.5	11.4	5.7	4.6	
OXRC011	146	148	2	6.3	9.1	6.2	5.1	
OXRC011	149	150	1	6.2	6.4	5.4	4.6	
OXRC011 Weighted Average			**6**	**6.5**	**9.4**	**5.5**	**4.1**	**Fault offset, no significant microsyenite intervals**
OXRC012	7	68	61	8.3	10.9	1.2	0.1	
OXRC012	69	80	11	9.8	13.6	2.0	0.2	
OXRC012 Weighted Average			**72**	**8.5**	**11.3**	**1.4**	**0.1**	
OXRC013	47	48	1	6.2	13.4	2.3	0.4	
OXRC013	50	51	1	7.1	12.5	2.2	0.5	
OXRC013	54	82	28	9.2	11.0	4.2	1.1	
OXRC013 Weighted Average			**30**	**9.0**	**11.1**	**4.1**	**1.0**	
OXRC014	74	103	29	9.0	15.3	3.2	2.7	
OXRC014	104	116	12	8.3	12.0	4.1	3.6	
OXRC014	118	127	9	7.7	10.7	7.3	6.0	
OXRC014 Weighted Average			**50**	**8.6**	**13.7**	**4.1**	**3.5**	
OXRC015	3	4	1	8.5	13.8	1.1	0.0	
OXRC015	6	51	45	10.1	13.9	1.0	0.1	
OXRC015 Weighted Average			**46**	**10.1**	**13.9**	**1.0**	**0.1**	
OXRC017	**15**	**16**	**1**	**6.4**	**14.7**	**7.9**	**2.1**	**Trachyte, no microsyenite**

Figure 1: Sheffield plan geology and drill hole location map.

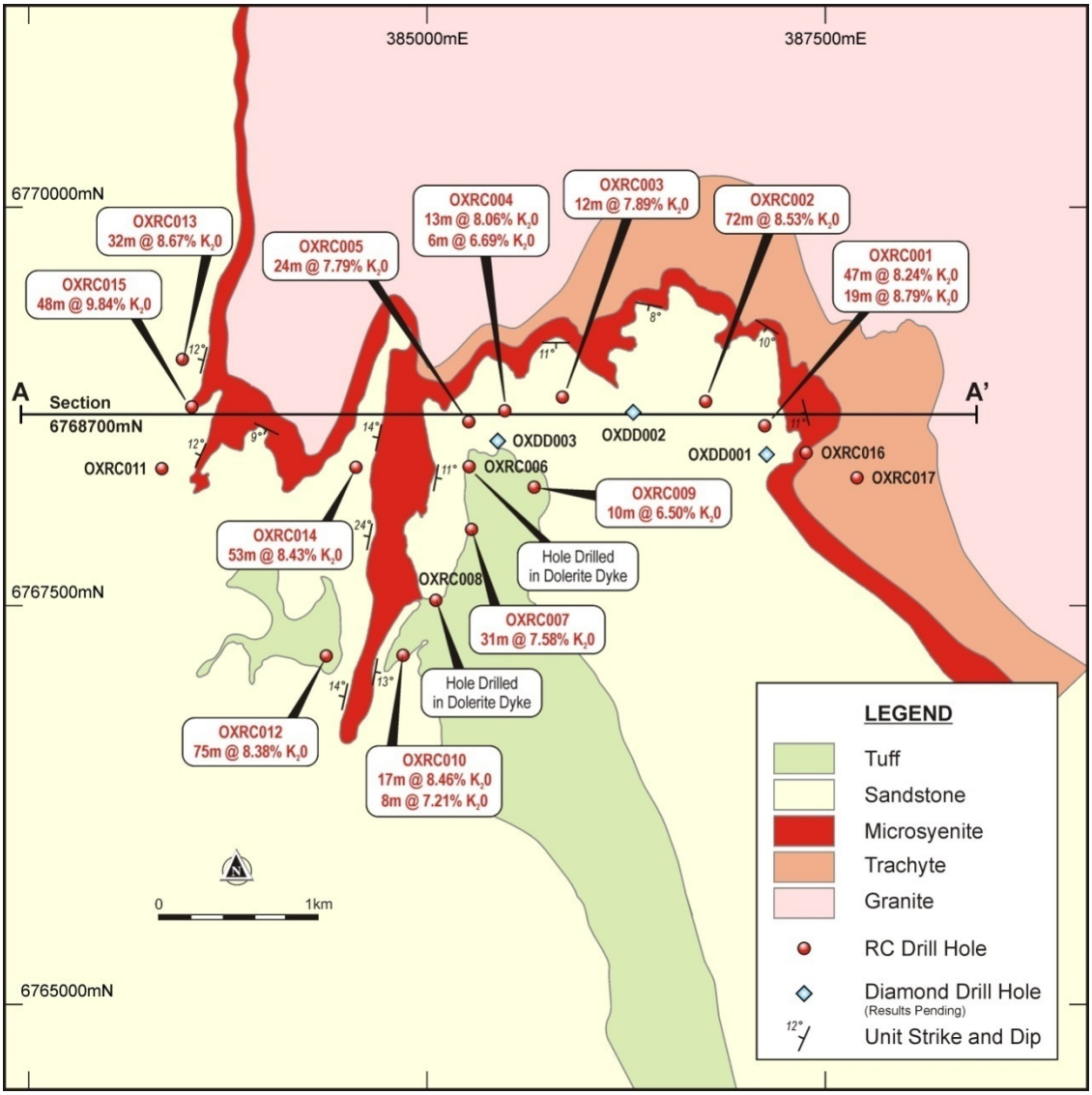
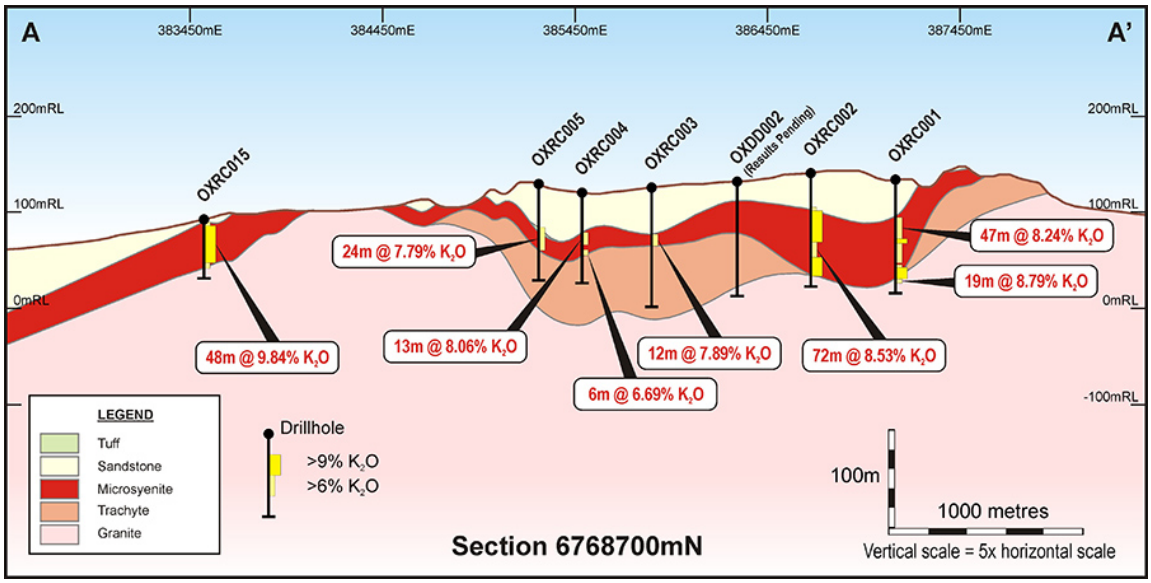


Figure 2: Sheffield east-west drilling cross section.



Competent Persons Statement

The information in this report relating to Exploration Results is based on information compiled by Mr Ben Hammond who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hammond is the CEO of Centrex Metals Limited. Mr Hammond 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 Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Goulburn Project JORC Table 1 Report

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling.* • *Sample representivity.* • *Determination of mineralisation.*	Sampling by Sheffield was generally completed at 1m intervals. Samples were submitted to Genalysis Pty Ltd in Western Australia along with field duplicates, blanks and internal standards. HQ core was cut in half and then one half was quarter cored. Quarter core was submitted for analysis. RC chips were collected from a cone splitter mounted at the cyclone discharge in one metre intervals into sequentially numbered sample bags of one to three kilograms weight. Remaining drill spoil was collected in green plastic bags for future analyses. The sampling procedures used by Sheffield are considered by Centrex to be representative given the nature of the mineralisation.
Drilling techniques	• *Drill type.*	Diamond drilling was completed by WestCore Drilling Pty Ltd using a track mounted LF90 rig and was predominantly HQ and was completed for metallurgical sample purposes. RC drilling was completed by Ranger Drilling Services using a DRA600 with a 300-500pis onboard compressor and a 500-1150psi booster with nominally 5.5 inch holes.

Criteria	JORC Code explanation	Commentary
Drill sample recovery	• *Method of recording and assessing sample recoveries.* • *Measures taken to maximise sample recovery.*	Diamond core sample recovery was high (average >90%) within the mineralised horizon given the relative competent nature of the microsyenite.
Logging	• *Geological and geotechnical logging.* • *Whether logging is qualitative or quantitative.* • *Total length and percentage of the relevant intersections logged.*	Sheffield completed standard geological logging for all holes using in-house defined logging codes for oxidation, lithology, colour, foliation and hardness. Logging appears to be completed to around a 0.1m down-hole resolution. Diamond core was additionally logged for RQDs, alpha and beta angles, and recovery.
Sub-sampling techniques and sample preparation	• *Nature, quality and appropriateness of the sample preparation technique.* • *Quality control.* • *Sample representivity.* • *Sample sizes*	HQ core was cut in half and then one half was quarter cored. Quarter core was submitted for analysis. RC chips were collected from a cone splitter mounted at the cyclone discharge in one metre intervals into sequentially numbered sample bags of one to three kilograms weight. Remaining drill spoil was collected in green plastic bags for future analyses. Sheffield submitted blanks, field duplicates (RC only) and an internal standard BCS-CRM376/1 was obtained from Bureau Analysed Samples Ltd and inserted randomly. Results of field duplicates, blanks and the internal standard showed acceptable variations. Samples were dry pulverised at the Genalysis with assaying completed by XRF using lithium borate flux. Genalysis completed sample duplicates using ICP-MS with very good correlation Genalysis used 8 different laboratory standards with acceptable precision Centrex considers the sampling and analysis techniques to be representative of the mineralisation given the relative homogenous nature of the lava flows.
Quality of assay data and laboratory tests	• *Nature of quality control procedures.*	Sheffield submitted blanks, field duplicates (RC only) and an internal standard BCS-CRM376/1 was obtained from Bureau Analysed Samples Ltd and inserted randomly. Field duplicates for RC were collected as a second split from the cone splitter for 1 in 40 samples. No duplicates were taken for diamond core given the priority of the core for metallurgical testwork. Results of field duplicates, blanks and the internal standard showed acceptable variations. Samples were dry pulverised at Genalysis with assaying completed by XRF using lithium borate flux. Genalysis completed sample duplicates using ICP-MS with very good correlation. Genalysis used 8 different laboratory standards with acceptable precision Centrex considers the sampling and analysis techniques to be representative of the mineralisation given the relative homogenous nature of the lava flows.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage protocols.* • *Any adjustment to assay data.*	No twinned holes have been drilled. Field and laboratory duplicates completed by Sheffield and Genalysis showed acceptable correlations. Data was stored in excel files.

Criteria	JORC Code explanation	Commentary
Location of data points	• *Accuracy and quality of surveys.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill hole collars were picked up by licenced surveyors with a RTK GPS system to an accuracy of +/10.02m horizontal and +/-0.03m vertical. Single shot downhole surveys were only completed on angled diamond holes. Results showed up to 4.8 degree deviation in azimuth and <1 degree variation in inclinations. The coordinate system reported is MGA Zone 50 (GDA94).
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • Whether the data spacing *and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource.* • *Whether sample compositing has been applied.*	The exploration results reported in this announcement are from an initial scout drilling program for the project and were not completed on a pre-determined grid pattern and hence the spacing to determine the continuity of mineralisation has not yet been determined. No sample compositing has been completed.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling.*	The RC drill holes were completed at vertical inclinations. The microsyenite is folded and dips at shallow bedding angles around 15 degrees. The diamond holes were completed at 70 degrees inclination to the north. Indications from the bedding in the area the holes were completed was that it is dipping southwest near OXDD001, south near OXDD002 and southeast near OXDD003B.
Sample security	• *The measures taken to ensure sample security.*	Centrex cannot confirm the security of sample transportation and logistics given it was undertaken by Sheffield.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	No external audits appear to have been undertaken on the drilling completed by Sheffield other than by Centrex itself.

Goulburn Project JORC Table 1 Report

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements.* • *The security of the tenure held at the time of reporting.*	Drilling was undertaken on E70/4318 held by Sheffield and E70/3777 held by Sheffield's 100% owned subsidiary Moora Talc Pty Ltd. All tenements are in good standing.
Exploration done by other parties	• *Exploration by other parties.*	All exploration results presented were completed by Sheffield. Centrex has yet to undertake any exploration itself.

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	The target mineralisation horizon of ultrapotassic microsyenite lava flows. The flows are thought to be formed from an abandoned Proterozoic rifting event in the Yilgarn Basin. The lava comprises multiple flow events and the high potassium content is thought to have occurred due to differentiation within the magma chamber causing the underlying trachyte to de deposited first followed by the relatively enriched ultrapotassic microsyenite. The lava flows are thought to be terrestrial with no observable pillow flow tops and deposition was controlled by the paleosurface. The deposit represents an unconventional hard rock potash deposit or ceramic feldspar deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results.*	Tables of drill hole locations and results are presented in the Appendix. Plan and cross sections are presented in the Appendix.
Data aggregation methods	• *Weighting averaging techniques and grade cuts.* • *Aggregation procedure.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	The reported intervals were compiled by weighted average for continuous 1m sample intervals >6% K_2O.
Relationship between mineralisation widths and intercept lengths	• *Geometry of the mineralisation with respect to the drill hole angle.*	The mineralised unit is dipping shallowly at around 15 degrees meaning true thickness of mineralisation would be slightly less than the down hole intervals reported. Insufficient drilling has been completed across strike to complete a structural model to determine the exact relationship between drilling intervals and the lava flows.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	See figures included in this announcement and the Appendix.
Balanced reporting	• *Representative reporting of both low and high grades and/or widths.*	The reporting is considered to be balanced and all relevant results have been disclosed for this current phase of exploration. All intervals >6% K2O have been reported regardless of whether they are from the microsyenite unit. Where results are from other units it has been noted in the table of results.
Other substantive exploration data	• *Other exploration data.*	No other significant exploration data has been reported.

Criteria	JORC Code explanation	Commentary
Further work	• *The nature and scale of planned further work.*	Upon completion of the proposed acquisition Centrex intends to undertake a review of all possible processing routes for Oxley and commence bench scale testwork for the preferred options.