CENTREX METALS LIMITED

ASX Announcement June 2015

OXLEY POTASH PROJECT

General Manager 24th June 2015

The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

BENCH SCALE ROAST TESTWORK COMMENCES ON OXLEY POTASH PROJECT

Highlights

- Bureau Veritas awarded initial bench scale roast testwork for Oxley
- Roast testwork to analyse the optimal conditions of individual salt blends to convert potassium into a leachable form for extraction from potash feldspar
- Amec Foster Wheeler to oversee testwork program
- Approvals gained for PQ diamond hole to provide bulk sample for subsequent larger scale testwork
- Clough nearing completion of nitric acid plant study at Oxley to feed into a potential high-value potassium nitrate fertiliser operation

Summary

Centrex Metals Limited ("Centrex") has appointed Bureau Veritas Minerals Pty Ltd ("Bureau Veritas") to undertake initial bench scale roast testwork for its Oxley Potash Project ("Oxley") near Geraldton in Western Australia. The testwork will utilise a 25kg composite sample from previous drilling to complete thermogravimetric analysis ("TGA"), roast tests, and roast product water leaching analysis for blends of the Oxley ultrapotassic microsyenite with various salts.

The aim of the initial program will be to analyse the optimal conditions of individual salt blends to convert potassium into a leachable form for extraction from potash feldspar ($KAlSi_3O_8$) that comprises up to 90% of the Oxley ultrapotassic

microsyenite. Amec Foster Wheeler will oversee the program which is expected to be completed over the next three months.

Centrex has also gained all required approvals to complete a single PQ diamond hole to provide a bulk metallurgical sample for subsequent larger scale testwork including pressure leach trials. The drill hole will twin the top 50m of historical RC drill hole OXRC015. The drilling is aimed for completion by August. Historical drilling results were previously reported by Centrex. For full details of the results see announcement 8th March 2015:

http://www.asx.com.au/asxpdf/20150309/pdf/42x4hkg86j6w1d.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.

Clough is nearing completion of a conceptual study into the construction of a nitric acid plant at the Oxley site for potential production of high-value potassium nitrate ("NOP") fertiliser. The study has considered both supply of ammonia for nitric production from existing 3rd party operations in Western Australia as well as in-house production from a specialised small-scale plant. The study is expected to be completed next month.

Table: Oxley Phase 1 project schedule estimate.

	2015				2016			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Metallurgical Bulk Sample Drilling								
Process Route Scoping								
Bench Scale Testwork								
Process Scoping Level Cost Estimates								
Conceptual Nitric Acid Plant Cost Estimate								
Resource Definition Drilling								
Resource Estimate								
Scoping Study								

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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.