



ASX Announcement

26th September 2016

Oxley Potassium Project

Hatch Appointed for Roasting Circuit Review

Highlights

- ▶ Hatch appointed to review Oxley Potassium Project roasting circuit as part of a Prefeasibility Study underway for the project
- ▶ Hatch to consider optimised end to end design options for the molten salt roasting and cooling circuit
- ▶ Hydrometallurgical process circuit engineering studies started by Canadian potash engineering experts Novopro
- ▶ Swiss licensor and engineering firm Casale nearing completion of feasibility study designs for on-site ammonia and nitric acid plants
- ▶ Engineering review studies to provide go-forward option for Prefeasibility Study testwork program
- ▶ On-ground environmental studies underway
- ▶ Scoping Study completed in August considered a start-up high value potassium nitrate specialty fertiliser operation based on current Inferred Mineral Resources that includes 38 million tonnes at 10% K₂O (9% cut-off), from the total of 155 million tonnes at 8.3% K₂O (6% cut-off)
- ▶ Resources to date defined from just a 3km section of the 32km striking rare ultrapotassic lava flow
- ▶ Expansion potential into bulk potassium fertilisers to also be considered in Prefeasibility Study

Summary

Centrex Metals Limited (“Centrex”) has appointed global engineering consultant Hatch to complete a design review of the pyrometallurgical circuit (frontend of the processing circuit) for the Oxley Potassium Project located near the Port of Geraldton in Western Australia.

The review will analyse the molten salt roasting and cooling process flow designed in the positive Scoping Study completed last month. The Scoping Study was completed by other engineering consultants with input from

specialist vendors for a start-up potassium nitrate fertiliser (“NOP”) operation. This review forms part of a Prefeasibility Study (“PFS”) commenced for the project that will consider not only a start-up NOP operation but also expansion of the project into bulk potassium fertilisers.

Hatch will consider the pyrometallurgical circuit (molten salt roasting and cooling) on an end to end holistic basis to optimise equipment selection and the heat balance. This will provide an integrated flowsheet to carry forward as part of the go-forward option for the PFS testwork program. The PFS testwork program will include a small-scale pilot plant of the roasting and cooling circuit.

Canadian based potash engineering experts Novopro are already underway on analysis of the hydrometallurgical component of the process circuit developed in the previous Scoping Study (backend of the processing circuit). The analysis by Novopro is expected to be completed at the end of this year. Swiss licensor and engineering firm Casale have completed feasibility study designs for ammonia and nitric acid plants at the Oxley site, with cost estimates to be delivered over the coming months. A review of the grinding circuit designed in the previous Scoping Study (also part of the process plant front end) will be awarded imminently.

A start-up NOP operation and associated cost estimates in the previous Scoping Study were based on only a fraction of the current Inferred Mineral Resources that includes 38 million tonnes at 10% K₂O (9% cut-off), from the total of 155 million tonnes at 8.3% K₂O (6% cut-off). Inferred Mineral Resources to date cover just 3kms of the overall 32km striking rare ultrapotassic lava flow that forms the basis of the project.

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.

A simplified production process flow is shown below.

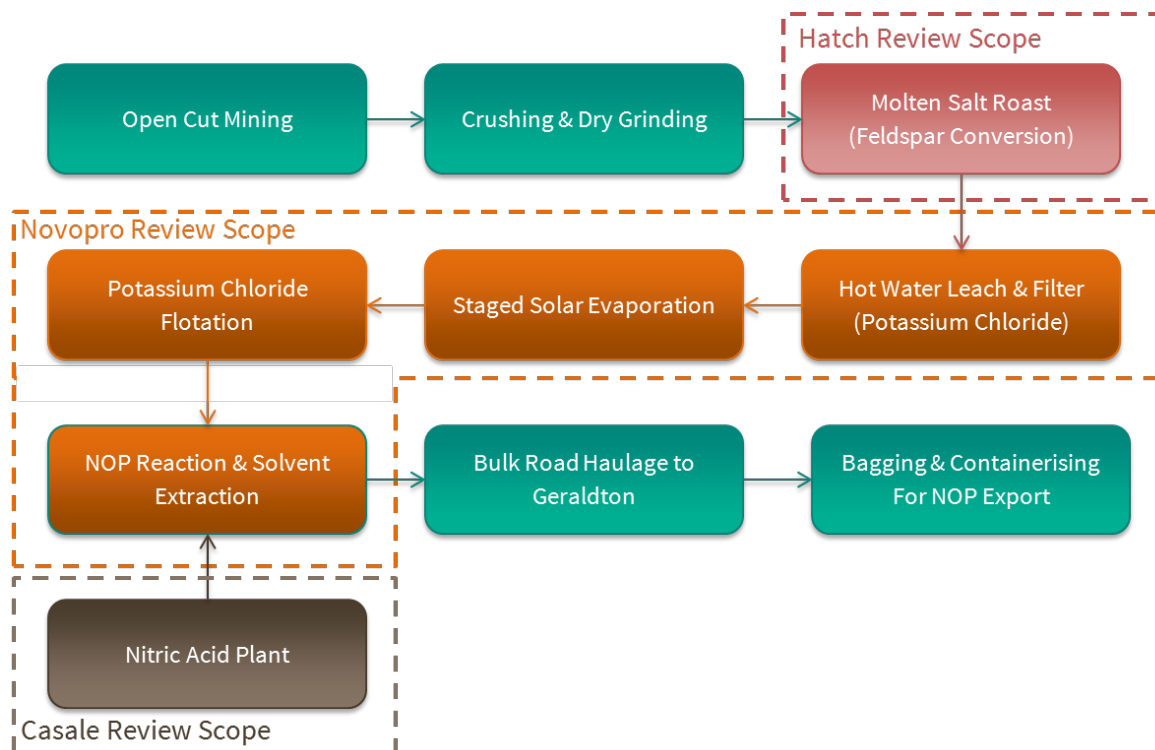


FIGURE: Simplified NOP production process flow.

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