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ASX Announcement

30th September 2016

Oxley Potassium Project

CITIC SMCC Appointed to Review Crushing & Grinding Circuit

Highlights

- ▶ CITIC SMCC appointed to review Oxley Potassium Project crushing and grinding circuit as part of a Prefeasibility Study underway for the project
- ▶ Pyrometallurgical and hydrometallurgical process circuit design reviews already underway by Hatch and Novopro respectively
- ▶ 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 CITIC SMCC Process Technology ("CITIC SMCC") grinding experts based in Brisbane to complete a design review of the grinding and crushing circuit for the Oxley Potassium Project located near the Port of Geraldton in Western Australia.

The review will analyse both wet and dry crushing and grinding circuit configurations and propose the optimal go-forward design option to consider in the Prefeasibility Study ("PFS") currently underway for the project.

Centrex has already appointed Canadian potash engineering experts Novopro to review the hydrometallurgical circuit of the process plant, and Hatch for the pyrometallurgical circuit. 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. Centrex is forming a mixed consulting team of global experts in each of the key design fields within the Oxley project.

The Prefeasibility Study has commenced with a review of a start-up high-value potassium nitrate specialty fertiliser (“NOP”) operation and associated cost estimates considered in the previous Scoping Study. This start-up operation was 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. The Prefeasibility Study will not only consider the start-up NOP operation but also expansion into bulk potassium fertilisers.

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.

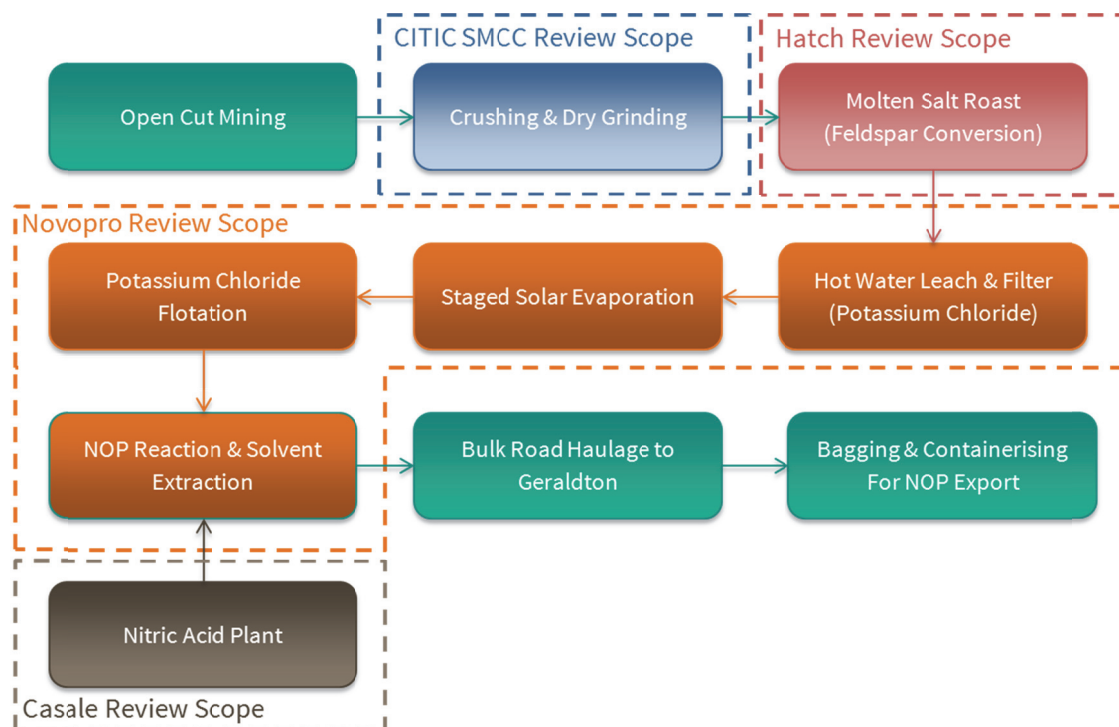


FIGURE: Simplified NOP production process flow.

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