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ASX Announcement

26th August 2016

Oxley Potassium Project

GM Projects Appointed for Oxley Prefeasibility Study

Highlights

- ▶ Steve Klose appointed as General Manager Projects as Oxley Potassium Project commences Prefeasibility Study
- ▶ Prefeasibility Study follows positive Scoping Study results announced earlier in the month
- ▶ Scoping Study considered start-up potassium nitrate 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
- ▶ Huge expansion potential into bulk potassium fertilisers to also be considered in Prefeasibility Study

Summary

Centrex Metals Limited ("Centrex") has appointed Steve Klose as the Company's new GM Projects to oversee a Prefeasibility Study commenced at its Oxley Potassium Project ("Oxley") near the Port of Geraldton in Western Australia. Mr. Klose has degrees in minerals engineering and project management. He joins Centrex from his previous role as Senior Project Manager for WorleyParsons. His twenty six years' industry experience has covered project management and process engineering roles in Australia, Indonesia, South Africa, Chile and Peru both for engineering companies and on the owner's team.

Centrex CEO Ben Hammond commented;

"Steve's strong experience not only on feasibility studies but also in construction and commissioning of projects around the globe provides key additional technical engineering capability to the Centrex team. Having a process engineering background in addition to being a project manager is a great advantage for overseeing the Oxley project going forward given it is more of a chemical processing play rather than straight mining project."

Commencement of the Oxley Prefeasibility Study comes after positive Scoping Study results announced earlier this month. The Scoping Study considered a start-up potassium nitrate ("NOP") high-value specialty fertiliser operation 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 consider not only a start-up NOP operation, but also cover second stage expansion into the bulk potassium fertiliser market.

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

<http://www.asx.com.au/asxpdf/20160308/pdf/435nrchjm48mjsx.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.

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