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ASX Announcement

15th February 2018

Ardmore Phosphate Rock Project

Pilot Trials Show Only Single Stage Crushing Circuit Required



CAPTION: Pilot hammer mill at Williams Patent Crusher & Pulverizer Co. Inc. in the US.

Highlights

- ▶ Vendor pilot crusher trials completed in the US for the Ardmore Phosphate Rock Project
- ▶ Piloting has shown the ability to meet product top size specifications with a single stage hammer mill, compared to the original 3-stage rolls crusher design in the Scoping Study
- ▶ Single stage hammer mill will significantly reduce the capital and operating costs of the crushing circuit in the current Feasibility Study
- ▶ Beneficiation pilot plant trials nearing completion in Adelaide, with results expected in coming weeks
- ▶ Current infill drilling program targeted to increase Measured & Indicated Mineral Resources expected to be completed in two weeks
- ▶ Further Mineral Resource update to follow once drilling assay results received

Summary

Centrex Metals Limited (“Centrex”) has completed successful crusher piloting trials for its Ardmore Phosphate Rock Project (“Ardmore”) at Williams Patent Crusher & Pulverizer Co. Inc. (“Williams”) in the US. Approximately 1 tonne of excavated ore was sent to Williams who assessed the use of both rolls crushers and hammer mills. The outcome of the trials has been the selection of a single stage hammer mill to meet the target 90% passing 2mm crushing specification required by customers for phosphate rock exports. The ability to utilise only a single stage hammer mill is due to the very weak nature of the phosphate rock within the Ardmore deposit. The ore breaks down easily to the size of the apatite nodules also without generating significant ultrafines. The single stage hammer mill circuit that will now be the basis of design in the current Feasibility Study, compares to a 3-stage rolls crusher circuit assumed in the previously announced Scoping Study. A single stage hammer mill will mean a significant reduction in capital and operating costs for the crushing circuit.

Beneficiation pilot plant trials are also nearing completion at Bureau Veritas Minerals in Adelaide. Close to 4 tonnes of ore was provided for the trials. Optimisation of the attritioner and deslime circuit is now complete, and continuous pilot runs will be completed in February. Concentrate samples from the pilot run will be sent to numerous customers who have requested them for fertiliser conversion test work. A sample will also be sent to KemWorks in the US for independent conversion test work.

An infill rotary percussion drilling program is underway at the deposit targeted to bring the first years of mining up to Measured Mineral Resources. In addition, a smaller reverse circulation (“RC”) program has just been completed, which was targeted to convert remaining Inferred Mineral Resources within the mine pit limits to Indicated. Preliminary results of the program indicate potential additions of ore within the Northern Zone of the deposit.



CAPTION: Centrex GM Exploration Alastair Watts oversees rotary percussion infill drilling at Ardmore.

Centrex is completing a feasibility study for the Ardmore project due for completion in mid-2018.

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