



Dear Shareholders and other Attendees

26<sup>th</sup> February 2021

I would like to welcome you all to the Annual General Meeting of Centrex Metals Ltd. My name is Graham Crisp and I became Executive Chairman of Centrex in December 2019.

I am excited to confirm that **mining has commenced at the Ardmore project**. Initial work will produce 25,000 to 30,000 tonnes of ore from the Ardmore South Deposit at a very attractive cost. Thanks especially to Centrex's staff for their sterling efforts in carrying out their duties to achieve this great result.

Interest has already been shown in purchasing some of this Ardmore production and we anticipate demand will increase as the product becomes available.



*Initial Ardmore mining area (bottom left of figure)*

This mining operation will also produce data that will be able to be incorporated in the previously-completed Optimised Definitive Feasibility Study so as to make available more accurate projections for Centrex to determine the optimal implementation plan for the Ardmore project.

**Work has also commenced on lowering the sustainable carbon footprint** from the Ardmore project. The **Ardmore rock phosphate**, because of its **high grade and low impurities**, can contribute to the reduction of greenhouse gases by promoting increased plant growth. Also, the Ardmore phosphate ore has a relatively low carbon footprint because the ore requires only minimal processing after mining, reducing typical on-site energy requirements. In addition, in an effort to minimise the Ardmore project's greenhouse emissions, work during the year also included an assessment of the cost of **replacing the proposed diesel generators with a renewable energy system** comprising a solar combined with energy storage.

Work is also continuing on efforts to achieve **increased revenues** from other products resulting from the Ardmore project, including investigating additional existing markets and also some interesting new potential commercial opportunities.

Progress has also been made with **potential funding partners** for the Ardmore phosphate project in numerous directions, with current potential interest in both equity and debt funding solutions.

I am disappointed that progress has been slow on the Oxley potash project and also the Goulburn gold/base metal project partly due to the Covid lockdowns and other factors. We had planned to carry out detailed laboratory testing on samples of Oxley ore at a University laboratory, but unfortunately that laboratory was closed during the pandemic leaving us without the necessary facilities.

Nevertheless, work is still proposed for the Oxley project with testing of a new technology we anticipate may help with the liberation of potassium from the Oxley ore planned to progress in the first half of this year.

Gold exploration is also proposed at the Goulburn gold/base metal project with a program planned to be carried out in the first half of this year and after the company's geologists return from the Ardmore project.

Also, we have recently corresponded with several parties who may have interest in buying the iron ore royalties held by Centrex. A sale of these royalties could bolster the cash resources of the Company.

It is fair to say the last 12 months or so has been pretty interesting, and quite a baptism of fire for me in my new role. While the Covid pandemic has had the biggest influence over the last year, the pandemic has also caused wide fluctuations in commodity prices, exchange rates, capital markets and other factors relevant to the progression of Centrex and its business.

These ructions in markets may not yet be finished, but we are all hopeful that the wide application of vaccines throughout the world this year will bring greater certainty to Centrex to enable it to progress its various business opportunities.

I would like at this point to thank the directors and staff of Centrex for their fantastic efforts at progressing Centrex's projects while at the same time substantially reducing the Company's expenditure. Without their help, we would not be in the position we are today.

We see distinct green shoots emerging which are positive to Centrex generally, and in particular to Centrex's wholly-owned Ardmore rock phosphate project. In recent times, the price of fertilizers manufactured from rock phosphate have had significant rises, and while the increase in prices has been partly due to worldwide demand because of good plant growing conditions, there are also early indications that the traded price of rock phosphate is also firming. The strengthening of the Australian dollar has had a negative impact on the Ardmore project, but it is possible next year may see a more favourable exchange rate position. Recent preliminary work on modelling financial outcomes from the Ardmore project using projected exchange rates, commodity prices and other parameters indicates the project still appears attractive.

Shareholders may recall the company completed a Rights Issue and several placements during 2020 which raised valuable funding to continue work on the Company's projects. I personally wish to thank everyone who generously supported Centrex and contributed funds during the year. We understand your financial contributions are valuable to you, and we are doing our best to use Centrex's cash resources wisely.

On this point, I am pleased to advise there has been a very substantial reduction in the administration costs of the Company, and in particular the staff salary costs and directors fees, which are significantly lower than for the preceding period.

We are grateful for Shareholders patience and support, and we are planning for substantial progress during the course of this year, particularly on the Company's flagship Ardmore rock phosphate project.

Thanks for your attention and continuing support.



Graham Chrisp  
Executive Chairman