



CENTREX METALS
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Centrex Metals Limited Annual General Meeting 2019 Chairman's Address

Good afternoon and welcome to the 2019 Centrex Metals Limited Annual General Meeting.

Looking back on where we were this time last year, a significant amount of progress has been made towards the full-scale commercial development of our flagship asset, the Ardmore phosphate rock project in northern Queensland.

The DFS Optimisation study released to the market in February of this year showed the economics of the project had been substantially improved. This study showed a very robust project with a 56% increase in Ardmore's pre-tax Net Present Value to \$269 million and a pre-tax IRR of 63%.

Contracts for 5,000-tonne trial shipments of phosphate rock concentrate from Ardmore, which will serve as important precursors to long-term offtake agreements, have been signed with two major fertiliser manufacturers in the region.

The fabrication of the modular 70-tonne per hour Start-Up Plant was completed in Northern Ireland and the components shipped to site.

Assembly of the plant, which has been designed to be readily upgradable to process 140tph to meet the proposed full-scale production rate of 800,000 tonnes per annum, was completed recently without incident.

We have also seen strong support for the project from various levels of Governments.

The Ardmore funding application to the Northern Australia Infrastructure Facility has progressed to the due diligence phase of the assessment process, which will determine if it qualifies for concessionary debt funding from the Commonwealth Government. The project also stands to be a beneficiary of the multi-million-dollar investment the Queensland Government is making in rail and port infrastructure in the state's north. Discussions are ongoing regarding potential reductions in transport and other costs.

To ensure the successful development of Ardmore, appropriate funding levels must be in place before commencing trial mining and processing. The Board has taken a prudent approach but will proceed immediately with the Trial Mine as soon as funds are available for the entire campaign.

As discussions regarding various funding solutions are being actively pursued but remain ongoing, the Board has resolved to implement a number of cost reduction and efficiency measures, including a 30% reduction in Director's fees and continued efforts to unlock value from non-core assets. The clear intent is to retain value in the high-grade Ardmore phosphate project through this period.

A restructuring of the board has already commenced, with Kiat Poh to stand down as Non-Executive Director as of today's meeting. This follows the retirement of Jim Hazel as a Non-Executive Director in September.

Both Poh and Jim have been long-time servants of the Company and I would like to take this opportunity to thank them for their respective contributions and wish them all the best with their future endeavours.

Based on the quality of the asset, the Board remains optimistic that an appropriate funding solution for Ardmore will be identified for both the immediate and longer-term plans of the Company as it looks to transition from explorer into development and ultimately sustainable cash flow and to deliver full value for all shareholders.