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ASX Announcement

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Ardmore Phosphate Rock Project

Successful Continuous Pilot Plant Trials at Ardmore



CAPTION: Ardmore beneficiation pilot plant setup at Bureau Veritas Minerals Adelaide.

Highlights

- ▶ Successful continuous pilot plant program for Ardmore Phosphate Rock Project completed
- ▶ Pilot plant demonstrates ability to produce a premium 35% P₂O₅ grade phosphate rock concentrate with ultra-low cadmium
- ▶ Pilot plant concentrate product samples being sent to customers for fertiliser conversion test work

- ▶ Independent fertiliser conversion test work also being undertaken at KemWorks in the US
- ▶ All pilot test work now completed for Feasibility Study due for completion mid-2018
- ▶ All assays from recent infill drilling program due by early April with Mineral Resource estimate update to be undertaken in April/May
- ▶ Target of the recent drilling program was to define Measured Mineral Resources over first years of mining plus establish Ore Reserves over the mine life sufficient for a Feasibility Study

Summary

Centrex Metals Limited ("Centrex") has completed continuous beneficiation pilot plant trials for its Ardmore Phosphate Rock Project ("Ardmore") in North West Queensland. The trials have confirmed the ability to produce a premium 35% P₂O₅ concentrate with ultra-low cadmium levels. Samples of the concentrate have been sent to numerous customers at their request for their own fertiliser conversion test work, whilst Centrex will undertake independent conversion test work at KemWorks in the US. With crushing pilot test work previously being completed resulting in the selection of a single stage hammer mill circuit, all pilot plant trials for the current Feasibility Study due for completion in mid-2018 have now been completed.

Assays results have begun to be returned for the recent >300 hole infill drilling program, with all results expected to be returned in early April. A Mineral Resource Estimate update will be undertaken in April/May. The program consisted of 299 rotary percussion and 45 reverse circulation ("RC") drill holes. The rotary percussion holes were drilled in the Southern Zone of the project with the target to upgrade the existing Mineral Resource to Measured category for the first years of mining. The RC drilling was completed in the Northern Zone of the deposit to infill areas within the proposed pit limits currently classified as Inferred with the intention to bring these areas up to Indicated. The drilling ultimately aims to support the establishment of Ore Reserves sufficient to underpin the Feasibility Study.

Beneficiation Pilot Trials

Continuous beneficiation pilot trials were undertaken at Bureau Veritas Minerals in Adelaide. The pilot plant was run at a rate of 500 kg per hour. The plant consisted of two 54L attritioner cells in series followed by a Kason screen to deslime the attritioner product at 38µm.

A 800kg composite was formed from an 18 hole PQ diamond hole program across the Southern Zone of the deposit that represents the first years of mining. The PQ holes were twins of existing resource holes targeted to average the Southern Zone deposit Mineral Resource grade average. Each PQ hole was sampled from 15cm below the hangingwall and above the footwall to represent planned selective mining to ensure no dilution from overlying or underlying alluvium and shale (the relatively small proposed excavator will cleanup the hanging wall slightly below the contact, and stop slightly above the footwall contact, guided by the ore spotters). The sample intervals were composited and homogenised. A 500kg sub-sample was taken for the initial pilot plant run with a residence time in the attritioners of 5 minutes at 60% solids density and a power input of 20 kW/m³.

In order to provide further material for a second pilot trial at higher solids density and power, a series of three bulk excavations were completed. The bulk excavations also provided samples for crushing pilot work already completed by Centrex, and dry beneficiation trials currently being undertaken. Excavations were planned based

on existing drill holes to provide a range of grades to be able to form a composite matching the PQ drill core composite. Excavations were completed in flitches with ore spotting by Centrex geologists. The excavations showed the relative ease in which mining to the ore contacts can be undertaken and that the lithology changes are visually obvious. Roughly 3 tonnes was sourced from the excavations for beneficiation testwork. This was made up of 12 flitch samples split between the three excavations. A 500kg composite was compiled from the flitches using the individual flitch head grades ratioed to match the PQ drill core composite grade. This composite was used for the second pilot run where the attritioner % solids was increased to 70% and the power input increased to 27 kW/m³.

Results from the two pilot runs and the bench scale test work showed strong correlation, indicating good repeatability and scale up. Results of the pilot runs are shown in the tables below. Varying the percent solids and power within the attritioners has been demonstrated as variables that may be adjusted to alter product quality as desired.

TABLE: Ardmore pilot plant run trial 2 results (MER = minor element ration = $[\text{Fe}_2\text{O}_3 + \text{Al}_2\text{O}_3 + \text{MgO}]/\text{P}_2\text{O}_5$).

Sample	Mass (kg)	P2O5 (%)	CaO (%)	SiO2 (%)	MER	Cd (ppm)
Feed	500	31.0	43.94	10.09	0.20	*
Concentrate	337	34.9	49.1	4.8	0.10	<2
Recovery	67.4	75.8	75.3	32.2		-

* Cadmium assay from laser ablation still outstanding

TABLE: Ardmore pilot plant run trial 1 results.

Sample	Mass (kg)	P ₂ O ₅ (%)	CaO (%)	SiO ₂ (%)	MER	Cd (ppm)
Feed	505	31.3	43.2	10.6	0.23	2.5
Concentrate	360	34.5	48.0	5.6	0.13	2.6
Recovery	71.3	78.7	79.4	37.9		71.3

All Assays reported have been done using XRF except for Cadmium which is by laser ablation

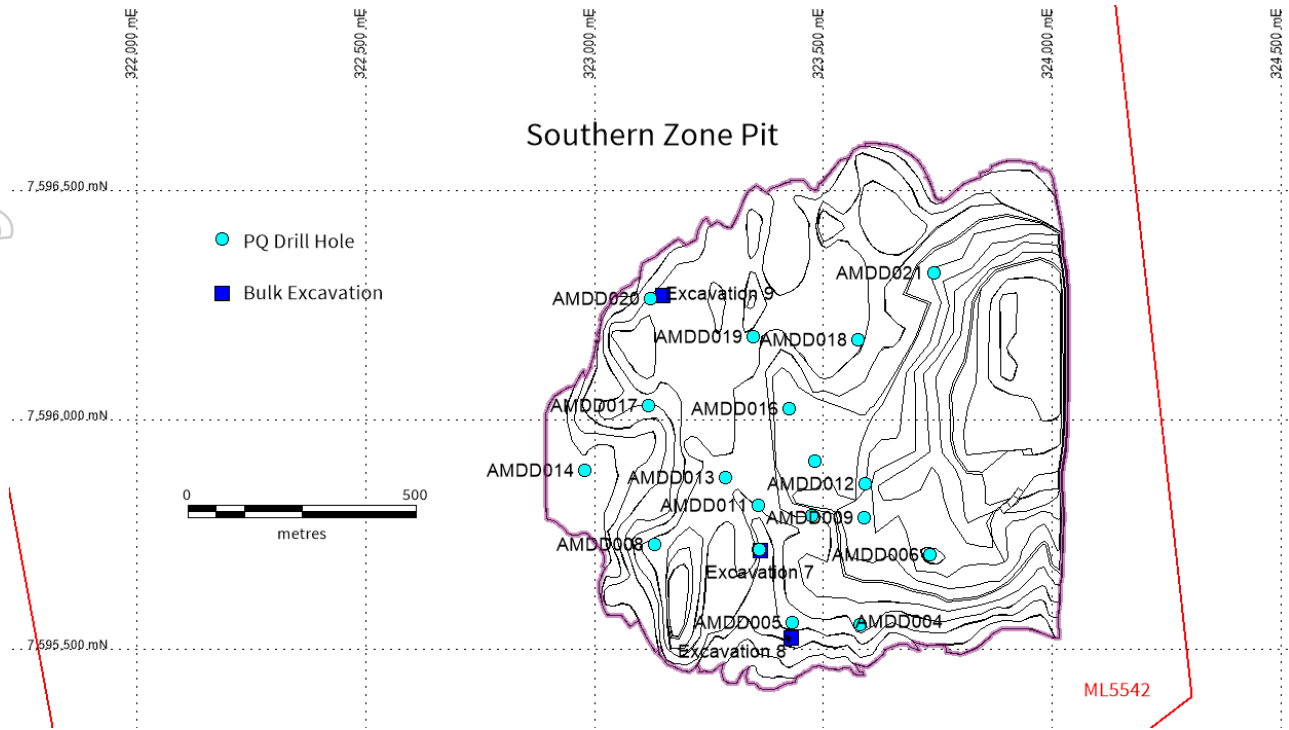


FIGURE: PQ drill hole and bulk excavation locations within the Southern Zone.

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Appendix – Technical Information

TABLE: Ardmore pilot test work bulk excavation locations.

Excavation	X Easting (MGA94 Zone 54)	Y Northing (MGA94 Zone 54)	Depth	Survey Method
AMEX007	323362	7595714	4.0	Handheld GPS
AMEX008	323429	7595523	4.8	Handheld GPS
AMEX009	323148	7596270	7.0	Handheld GPS

TABLE: Ardmore pilot test work PQ diamond hole locations.

Hole	Easting	Northing	RL (m)	Hole Depth (m)	Survey Method
AMDD004	323579	7595553	342	10.5	DGPS
AMDD005	323431	7595556	344	10.5	DGPS
AMDD006	323733	7595704	342	19.5	DGPS
AMDD007A	323359	7595718	344	6.8	DGPS
AMDD007B	323359	7595716	344	6.7	DGPS
AMDD008	323131	7595728	343	9.1	DGPS
AMDD009	323590	7595787	344	16.5	DGPS
AMDD010	323475	7595790	345	12	DGPS
AMDD011	323358	7595814	345	13.5	DGPS
AMDD012	323592	7595859	344	16.6	DGPS
AMDD013	323286	7595874	345	11.5	DGPS
AMDD014	322979	7595889	349	4.5	DGPS
AMDD015	323481	7595909	345	15	DGPS
AMDD016	323425	7596024	345	13.5	DGPS
AMDD017	323118	7596031	347	10	DGPS
AMDD018	323574	7596175	342	8.5	DGPS
AMDD019	323346	7596182	342	7	DGPS
AMDD020	323122	7596264	345	12	DGPS
AMDD021	323742	7596321	339	13	DGPS

TABLE: Southern Zone PQ diamond core weighted average assay intervals (15cm below hangingwall to 15cm above footwall contacts).

Hole	From (m)	To (m)	Interval (m)	Mass (kg)	P ₂ O ₅ (%)
AMDD004	4.14	8.92	4.78	58.5	32.0
AMDD005	3.15	7.90	4.75	48.9	30.8
AMDD006	12.87	17.40	4.53	50.4	31.0
AMDD007B	1.15	5.40	4.25	47.8	30.9
AMDD008	3.85	7.35	3.50	40.5	32.5
AMDD009	9.15	14.17	5.02	58.2	33.4
AMDD010	5.68	9.74	4.06	49.8	33.6

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AMDD011	5.70	11.50	5.80	34.1	24.0
AMDD012	9.70	14.15	4.45	49.9	33.6
AMDD013	5.32	9.52	4.20	43.6	31.5
AMDD014	0.30	1.65	1.35	14.3	27.1
AMDD015	8.11	13.50	5.39	58.2	31.6
AMDD016	8.48	12.15	3.67	37.6	29.7
AMDD017	3.35	8.62	5.27	58.3	29.0
AMDD018	3.82	6.10	2.28	21.8	29.2
AMDD019	0.82	4.77	3.95	39.1	32.8
AMDD020	0.85	8.45	7.60	76.9	29.7
AMDD021	7.35	10.55	3.20	26.6	30.1

TABLE: Bulk excavation flitch assay intervals.

Hole	From (m)	To (m)	Interval (m)	P ₂ O ₅ (%)
AMEX007	0.8	1.6	0.8	29.4
AMEX007	1.6	2.4	0.8	31.6
AMEX007	2.4	3.2	0.8	31.5
AMEX007	3.2	4.0	0.8	31.9
AMEX008	1.4	2.2	0.8	27.8
AMEX008	2.2	3.1	0.9	28.7
AMEX008	3.1	4.0	0.9	30.7
AMEX008	4.0	4.8	0.8	30.3
AMEX009	0.7	2.1	1.4	27.6
AMEX009	2.1	3.8	1.7	32.4
AMEX009	3.8	5.8	2.0	30.5
AMEX009	5.8	7.0	1.2	23.3

Competent Persons Statement

The information in this report relating to Exploration Results is based on information compiled by Mr Ben Hammond who is a Fellow of the Australasian Institute of Mining and Metallurgy. Mr Ben Hammond is the Managing Director & CEO of Centrex Metals Limited. Mr Hammond has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Ardmore Phosphate Rock Project JORC Table 1 Report

SECTION 1: Sampling techniques and data.

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling. Sample representivity. Determination of mineralisation. 	<p>A total of 18 PQ holes were completed across the Southern Zone twinning historical holes whose weighted average grades approximated the Mineral Resource for the Southern Zone, whilst trying to spatially distribute the twin holes across the deposit.</p> <p>Whole PQ core intervals were sampled. The hangingwall and footwall contacts were identified visually and with reference to the twin hole grades, and the ore zone for each hole was sampled from 15cm below the hangingwall contact and 15cm above the footwall contact. Further samples were taken 15cm below and above each contact. A handheld portable XRF was used to aid in identification of ore and waste where necessary. The hanging wall and footwall contact samples were composited across holes for variability analysis. The weighted average grade of the ore seam samples plus the contact composite samples aligned well with the twin hole and Mineral Resource grade global averages.</p> <p>PQ core ore intervals were split into sub-intervals for sampling of around 20kg for manual handling reasons. Each sub-interval was bagged and sent to Bureau Veritas Minerals in Adelaide. Each bag was weighed wet and dry. Bulk density, UCS and crushing work index measurements were taken from suitable core pieces which were then returned to the sub-intervals. The sub-intervals were then crushed to -19mm and homogenized individually. Sub-samples were taken from each interval for head grade. The sub-intervals were then homogenised into a master composite of around 800kg in size. Sub-samples of the master composite were taken for bond rod, bond ball work index and materials handling tests. A 500kg sub-sample was used for the beneficiation pilot run.</p> <p>Three bulk excavations were completed using a 23t excavator to provide further material for additional pilot plant optimisation. The excavations were planned close to existing resource drill holes with the intention to provide a range of ore types and grades in order to be able to form varying composite grades as required. Overburden was first</p>

		<p>removed via a drop cut down to the hangingwall contact as spotted visually by Centrex geologists. A trench was then dug by the excavator down to the footwall contact again identified visually by Centrex geologists. The trenches were dug in a number of flitches, either in set increments based on the size of the bucket, or where clear ore types were able to be visually identified the flitches were dug to the ore type boundaries with the seam relatively flat lying in the areas of the excavations.</p> <p>For each flitch the interval was piled into a cone. The excavator was then used to cut a channel in the cone representing a bucket, the full bucket was then tipped into a steel drum (one drum per flitch interval). Each drum was sent to Bureau Veritas in Adelaide. For each drum the sample was formed into a cone at the laboratory and the cone was halved. Half the cone was taken and the other half was left in reserve. The half cone samples were crushed to -2mm and homogenised. Sub-samples were taken for head assay. Head assays were used to create a selectively mined 500kg composite matching the PQ diamond hole master composite grades.</p>
<i>Drilling techniques</i>	<ul style="list-style-type: none"> • <i>Drill type.</i> 	Drilling was PQ diamond core.
<i>Drill sample recovery</i>	<ul style="list-style-type: none"> • <i>Method of recording and assessing sample recoveries.</i> • <i>Measures taken to maximise sample recovery.</i> 	Core recoveries were excellent and close to 100% based on visual observations.
<i>Logging</i>	<ul style="list-style-type: none"> • <i>Geological and geotechnical logging.</i> • <i>Whether logging is qualitative or quantitative.</i> • <i>Total length and percentage of the relevant intersections logged.</i> 	<p>Qualitative logging was undertaken including lithology, colour, weathering and hardness down to 10cm scale.</p> <p>Quantitative RQD logging was completed.</p>

<p><i>Sub-sampling techniques and sample preparation</i></p>	<ul style="list-style-type: none"> • <i>Nature, quality and appropriateness of the sample preparation technique.</i> • <i>Quality control.</i> • <i>Sample representivity.</i> • <i>Sample sizes.</i> 	<p>PQ core ore intervals were split into sub-intervals for sampling of around 20kg for manual handling reasons. Each sub-interval was bagged and sent to Bureau Veritas Minerals in Adelaide. Each bag was weighed wet and dry. Bulk density, UCS and crushing work index measurements were taken from suitable core pieces which were then returned to the sub-intervals. The sub-intervals were then crushed to -19mm and homogenized individually. Sub-samples were taken from each interval for head grade. The sub-intervals were then homogenised into a master composite around 900kg in size. Sub-samples of the master composite were taken for bond rod, bond ball work index and materials handling tests. A 500kg sub-sample was used for the beneficiation pilot run.</p> <p>PQ core contact intervals were placed into bags and sent to Bureau Veritas Minerals in Adelaide. The samples were crushed to -2mm and composited into hanging wall and footwall composites. Sub-samples were taken for head assay.</p> <p>An analysis was undertaken between the PQ hole and the original twin resource hole grades. Good correlation was shown between the logged ore intervals and grades between drill holes.</p> <p>Three bulk excavations were completed using a 23t excavator to provide further material for additional pilot plant optimisation. The excavations were planned close to existing resource drill holes with the intention to provide a range of ore types and grades in order to be able to form varying composite grades as required. Overburden was first removed via a drop cut down to the hangingwall contact as spotted visually by Centrex geologists. A trench was then dug by the excavator down to the footwall contact again identified visually by Centrex geologists. The trenches were dug in a number of flitches, either in set increments based on the size of the bucket, or where clear ore types were able to be visually identified the flitches were dug to the ore type boundaries with the seam relatively flat lying in the areas of the excavations.</p> <p>For each flitch the interval was piled into a cone. The excavator was then used to cut a channel in the cone</p>
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		<p>representing a bucket, the full bucket was then tipped into a steel drum (one drum per flitch interval). Each drum was sent to Bureau Veritas in Adelaide. For each drum the sample was formed into a cone at the laboratory and the cone was halved. Half the cone was taken and the other half was left in reserve. The half cone samples were crushed to -2mm and homogenised. Sub-samples were taken for head assay. Head assays were used to create a selectively mined 500kg composite matching the PQ diamond hole master composite grades.</p> <p>Benchscale attritioner tests were run on the composites and showed strong correlation with the pilot runs. Results between the pilot runs appeared consistent.</p>
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> • <i>Nature of quality control procedures.</i> 	<p>Major element assays undertaken at Bureau Veritas Minerals by XRF. Centrex had completed numerous CRM and duplicate assay analyses in its previous grab sample testwork program showing XRF to be appropriate to the deposit style.</p> <p>Benchscale attritioning tests were undertaken prior to piloting and showed strong correlation to piloting results. Results between composites showed good consistency.</p> <p>Assay by size was undertaken for the attritioner products with the calculated head grades showing strong correlation to the actual head assays.</p>
Verification of sampling and assaying	<ul style="list-style-type: none"> • <i>The verification of significant intersections by either independent or alternative company personnel.</i> • <i>The use of twinned holes.</i> • <i>Documentation of primary data, data entry procedures, data verification, data storage protocols.</i> • <i>Any adjustment to assay data.</i> 	<p>All PQ diamond drill holes were twin holes of existing resource holes. There was strong correlation between logged ore intervals and assay results between the twin pairs.</p>
Location of	<ul style="list-style-type: none"> • <i>Accuracy and quality of surveys.</i> 	<p>Drill hole collar easting, northing and RL locations were</p>

<i>data points</i>	<ul style="list-style-type: none"> • <i>Specification of the grid system used.</i> • <i>Quality and adequacy of topographic control.</i> 	<p>determined by DGPS with a licensed surveyor using MGA94 Zone 54 grid system. A recent LIDAR survey was flown for the site and aligned with the DGPS RLs.</p> <p>Bulk excavation locations were recorded by handheld GPS.</p>
<i>Data spacing and distribution</i>	<ul style="list-style-type: none"> • <i>Data spacing for reporting of Exploration Results.</i> • <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource.</i> • <i>Whether sample compositing has been applied.</i> 	<p>A total of 18 PQ holes were completed across the Southern Zone twinning historical holes whose weighted average grades approximated the Mineral Resource for the Southern Zone, whilst trying to spatially distribute the twin holes across the deposit.</p> <p>Results for PQ intervals have been composite per hole using mass weighted averaged based on total weights of full core sampled.</p> <p>Three bulk excavations were completed using a 23t excavator to provide further material for additional pilot plant optimisation. The excavations were planned close to existing resource drill holes with the intention to provide a range of ore types and grades in order to be able to form varying composite grades as required.</p> <p>No compositing has been applied to bulk excavation flitch assays.</p>
<i>Orientation of data in relation to geological structure</i>	<ul style="list-style-type: none"> • <i>Whether the orientation of sampling achieves unbiased sampling.</i> 	<p>All PQ holes and excavations were completed vertically, roughly perpendicular to the flat lying phosphorite ore seam.</p>
<i>Sample security</i>	<ul style="list-style-type: none"> • <i>The measures taken to ensure sample security.</i> 	<p>PQ core samples were first placed in labelled plastic bags that were sealed with cable ties. The sample bags were then placed into sealed metal drums for transport to Adelaide.</p> <p>Bulk excavation flitches were directly loaded into labelled steel drums which were sealed for transport to Adelaide.</p>
<i>Audits or reviews</i>	<ul style="list-style-type: none"> • <i>The results of any audits or reviews of sampling techniques and data.</i> 	<p>Twin holes pairs were analysed showing strong correlation down hole of logging and assay results.</p>

Ardmore Phosphate Rock Project JORC Table 1 Report

SECTION 2: Reporting of Exploration Results.

Criteria	JORC Code explanation	Commentary
Mineral tenement and tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements. The security of the tenure held at the time of reporting. 	<p>The project is held on Mining Lease ML5542 held by Centrex Phosphate Pty Ltd, a 100% subsidiary of Centrex Metals Limited. A 21 year renewal terms was granted in 2017. Southern Cross Fertilisers Pty Ltd holds a 3% revenue royalty on production.</p> <p>Compensation agreements for exploration and mining with all relevant landowners over the Mining Lease are in place.</p>
Exploration done by other parties	<ul style="list-style-type: none"> Exploration by other parties. 	All exploration was by Centrex.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	<p>The Ardmore phosphate deposit was discovered in September 1966 and is located within the 'Ardmore Outlier' of the Georgina Basin.</p> <p>The Cambrian aged sedimentary phosphate deposit consists predominantly of pelletal phosphorites with small bands of collophane mudstone. The small (approx. 100-200 micron) sized pellets of carbonate-fluorapatite probably formed in a shallow shelf environment.</p> <p>Within the Ardmore Outlier the single phosphate bed occurs within the Simpson Creek Phosphorite Member (SCPM) of the Beetle Creek Formation.</p> <p>The SCPM is essentially flat lying with a gentle to moderate dip (<20 degrees) to the east and occurs spatially within two main separate areas: the Northern Zone and the Southern Zone.</p> <p>The SCPM has an approximate average thickness of 5 m in the Southern Zone and is located from surface to greater than 15 m depth.</p> <p>The Northern Zone has an approximate average thickness of 3 m and is deeper than the Southern Zone, with depths starting from near-surface in the west before dipping away to the east and extending to depths greater than 20 m.</p>
Drill hole information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results. 	A list of drill hole locations are shown both in tabular and graphical form within the announcement. Drill hole assay results are provided in tabular form.

Data aggregation methods	<ul style="list-style-type: none"> Weighting averaging techniques and grade cuts. Aggregation procedure. The assumptions used for any reporting of metal equivalent values should be clearly stated. 	Reported PQ grade intervals for each hole were composited using mass weight average based on full core weights.
Relationship between mineralisation widths and intercept lengths	<ul style="list-style-type: none"> Geometry of the mineralisation with respect to the drill hole angle. 	All intervals and flitches were vertical and roughly perpendicular to the ore seam.
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	See figures included in this announcement.
Balanced reporting	<ul style="list-style-type: none"> Representative reporting of both low and high grades and/or widths. 	The reporting of results is considered to be balanced and all relevant results have been reported. Bench scale attritioner results mirrored pilot results.
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data. 	No other exploration data is available at this time.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work. 	Dry beneficiation trials are being completed in parallel and results should be available in April. A resource model update based on a recently completed drilling program will be completed in April/May 2018. A feasibility study for the project is due for completion in mid-2018.