



ASX Announcement – 14th May 2019



Sales Contract Executed with Leading Fertiliser Producer

Highlights

- ▶ Second sales contract executed for 5,000 wet tonnes from Ardmore start-up operation
- ▶ Sales contract with leading New Zealand fertiliser group Ballance Agri-Nutrients
- ▶ Trial shipment to be a part of Ballance's current high-quality import blend
- ▶ Sales contract follows initial 400 wet tonne bulk sample processed by Ballance in 2018
- ▶ Negotiation of further trial product contracts progressing with other priority customers
- ▶ Trial product shipments to underpin long term offtake contracts and full project financing

Discussion

Centrex Metals Limited (ASX: CXM) ("**Centrex**" or the "**Company**") is pleased to announce it has secured its second sales contract for high-quality phosphate rock concentrate from the Company's Ardmore Project in north-west Queensland.

Ballance Agri-Nutrients ("**Ballance**"), the leading New Zealand-based nutrient supplier to farmers and growers, had previously trialed 400 wet tonnes of run-of-mine ore from Ardmore for the production of single superphosphate, and has agreed to purchase a further 5,000 wet tonnes of concentrate to be produced as part of the trial production process anticipated to commence in 2019.

The sales contract will provide 5,000 wet metric tonnes of phosphate rock to be trialed with the current Ballance import blend. The contract contains other conditions that are typical of this type of contract and includes conditions precedent surrounding the start-up operation, thereby limiting Centrex's exposure.

The concentrate trial shipment will be produced via the 70tph modular wet processing plant that is currently in transit to Ardmore (*see ASX release 30 April, 2019*). The modular plant is readily upgradable to 140tph for the proposed full-scale operations designed at 800,000 wet tonnes per annum.

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CAPTION: *Centrex representative inspecting the initial 400t run of mine Ardmore phosphate rock ore at Ballance, during the 2018 single superphosphate trial.*

The Company is currently progressing all other required activities to advance the project including arranging logistics, concentrate sales, contracting and other operational activities so as to commence mining and processing in 2019. Discussions are ongoing with a select number of other potential long-term offtake customers in regards to taking trial shipments. This process will be integral in validating the premium product from Ardmore and securing offtake contracts which will underpin the financing of the Project for full scale operations.

Chief Executive Officer Comment

Centrex CEO Simon Slesarewich said: "The Company is very pleased to be partnering with one of New Zealand's leading fertiliser producers in Ballance. The contract validates the quality of Ardmore's product and its attractiveness to target customers."

We would like to thank the team at Ballance for their support and we look forward to a long-term relationship as we progress Ardmore towards commercial production."

About Ballance Agri-Nutrients:

Ballance is a New Zealand farmer-owned co-operative that helps its customers to farm more productively, profitably and sustainably. It is the country's biggest fertiliser manufacturer and distributor with annual revenue of over NZ\$800 million.

Ballance operates two superphosphate manufacturing plants along with the only ammonia-urea production facility in New Zealand at Kapuni. Ballance focus on the sustainable sourcing of raw materials – for use in their New Zealand-based manufacturing operations – and finished products from selected suppliers in North America, South America, Africa, Europe, the Middle East, China, Southeast Asia, Australia along with a small amount domestically. Global supplies include compound fertilisers, urea to complement the New Zealand-manufactured product, and micro-nutrients that are used to tailor products for local soils and customer requirements – with the single largest requirement for phosphate rock, totaling approximately 400,000 tonnes per annum to make superphosphate.

More information can be found at: <https://ballance.co.nz/>

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