



ASX Announcement



# Quarterly Activities Report September 2019

**17 October 2019**

**ASX Code: CXM**

**Issued Capital:**

Shares	315.7M
Options/ Rights	5.8M
Share Price	A\$ 0.085
Market Cap.	A\$ 26.8M
Cash (30 Sept)	A\$ 4.0M

**Board of Directors:**

David Klingberg AO  
*Chairman*

Chris Indermaur  
*Non-Executive Director*

Graham Chrisp  
*Non-Executive Director*

Poh Kiat  
*Non-Executive Director*

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## Highlights

### Corporate

- ▶ Approximately A\$4 million cash reserves as at 30<sup>th</sup> September 2019
- ▶ Appointment of Mr Jason James Chrisp as an Alternate Director to Mr Graham Chrisp effective 23 August 2019
- ▶ Retirement of Mr Jim Hazel as a Director effective 20 September 2019

### Ardmore Phosphate Rock Project, Queensland

- ▶ Completed on-site assembly of the 70 tonne per hour (tph) modular start-up wet processing plant without incident.
- ▶ Presented the Ardmore project to His Excellency the Honourable Paul de Jersey AC, Governor of Queensland during a site visit in September

### Exploration

- ▶ Grant of two exploration tenements in prospective areas for high-grade phosphate deposits in the Northern Territory's Wiso Basin
- ▶ Application for a third tenement in the Wiso Basin is awaiting approval

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## REPORT

### 1. CORPORATE

The Company maintained a cash balance of A\$4.0 million as at 30<sup>th</sup> September 2019, a reduction of \$1.6 million from the prior quarter reflecting primarily costs associated with completion of the plant erection at Ardmore and corporate costs.

Mr Jason James Chrisp was appointed an Alternate Director to Mr Graham Chrisp effective 23 August 2019. Mr Jim Hazel retired as a Director effective 20 September 2019.

### 2. ARDMORE PHOSPHATE ROCK PROJECT, QLD

The Ardmore Phosphate Rock Project in North West Queensland is Centrex's flagship development. Following the site preparation work conducted in June, the Company announced the completion of the on-site assembly of the 70 tonne per hour (tph) Start-up Plant in September. The 70 tph modular Start-up Plant has been designed as an oversized module able to be readily upgraded to a 140tph circuit so as to meet the proposed full-scale 800,000 wet tonnes per annum of concentrate envisaged for full mining operations.

The Ardmore start-up operation is targeted to produce up to 30,000 wet tonnes of concentrate which will be sold to a select number of target long-term offtake customers. These trial shipments are integral to not only validating the premium nature of the Ardmore product, but also to securing offtake

contracts which will underpin the financing of Ardmore for full scale operations planned for 2020.



*Figure 2 - Aerial view of Ardmore during construction of the Start-up Plant*

With the on-site assembly of the Start-up Plant complete, the Company is currently progressing all other required activities to advance the start-up phase of the project including targeted marketing of additional trial parcel concentrate sales, arranging logistics, contracting in relation to mining and other operational activities, as well as continuing to review its funding options to ensure the start-up phase is fully funded prior to commencing mining and processing operations.



*Figure 1 - Erected Start-up Plant at Ardmore*

In early September the Company had the pleasure of presenting an update of the Ardmore Phosphate project to His Excellency, the Honourable Paul de Jersey AC, Governor of Queensland. The Governor visited Dajarra and a number of other communities in north west Queensland as part of his week of governing from the region.

The development of the Ardmore project, which is located 23kms west of Dajarra, will provide significant opportunities for local employment and businesses in the region.



*Figure 3 - Centrex General Manager Exploration Alastair Watts presenting at the Dajarra State School; with (seated left to right) His Excellency the Honourable Paul de Jersey AC, Governor of Queensland, Ms Justine Collins and Sido Condren.*

### 3. PHOSPHATE EXPLORATION, QLD & NT

Centrex continues to develop a pipeline of phosphate exploration projects both proximal to Ardmore in the Georgina Basin and regionally in Australia. Centrex is focused on coarse high-grade pelletal deposits similar to Ardmore given the significant development advantages of this material type over the more common lower grade “microphosphorite” deposits in Australia.

During the quarter the Company announced that it had been granted two exploration tenements in prospective areas for high-grade phosphate deposits in the Northern Territory’s Wiso Basin. Centrex identified the prospectivity of EL 32082 (Top Springs) and EL 32091 (Camfield Station) based on uranium anomalies (associated with phosphate

mineralisation) within the Montejinni Limestone Formation. Centrex also has an application for a third tenement ELA32048 (Lady Judith) within the Wiso Basin. The Lady Judith prospect was identified from Government phosphate testing of water bores that logged high grade phosphate intersections within Middle Cambrian Sediments of similar age to the Ardmore phosphate deposit.

The two granted tenements have an initial term of six years and combined with the Lady Judith application make up the Company’s Wiso Basin project totaling an area of 437 square kilometers.

To further capitalise on the Company’s now established relationships with phosphate rock buyers and the knowledge developed from Ardmore, Centrex intends to continue to develop an attractive pipeline of high-grade phosphate projects.

### 4. OXLEY POTASSIUM NITRATE PROJECT, WA

Centrex continues to look for a strategic partner to aid in developing the Oxley project, a move that will enable the Company to focus on Ardmore.

### 5. GOULBURN ZINC PROJECT, NSW

No exploration activities were undertaken during the quarter at the Goulburn Zinc Project.

**6. TENEMENTS**

The Company and its wholly owned subsidiaries hold the following tenements and leases;

**Queensland (Phosphate)**

Ardmore Phosphate Rock Project ML 5542  
Ardmore EPM 26551  
Ardmore EPM 26568  
Ardmore EPM 26841

**New South Wales (Zinc)**

Goulburn EL 7388                      Archer EL 7503

**Western Australia (Potash)**

Oxley A E70/3777   Oxley B E70/4004  
Oxley C E70/4318   Oxley D E70/4319  
Oxley E E70/4320   Oxley F E70/4378  
Oxley G E70/4729

**Northern Territory (Phosphate)**

ELA 32048  
EL 32082 (granted 23<sup>rd</sup> August 2019)  
EL 32091 (granted 23<sup>rd</sup> August 2019)

Attached is the Appendix 5B Statement of Cash flows for the period from 1 July 2019 to 30 September 2019.

For further information please contact:

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Centrex Metals Limited  
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**Forward Looking Statements**

This announcement may contain forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside of the control of, and may be unknown to Centrex Metals Limited ('Centrex' or the 'Company'). Actual results and developments may vary materially from those expressed in these materials. The types of uncertainties which are relevant to the Company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the Company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on such forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the Company may not update or revise any of the forward looking statements resulting from any change in events, conditions or circumstances on which any such statement is based.

Forward looking statements include, but are not limited to, statements concerning Centrex's planned exploration program, targeted resources, commencement of product export and other statements that are not historical facts. When used in this document, the words such as "could", "target", "plan", "estimate", "intend", "may", "aim", "potential", "should", and similar expressions reflected in these forward-looking statements are reasonable, such as statements involving risks and uncertainties and no assurance can be given that actual results be consistent with these forward-looking statements.

## Appendix 5B

## Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

## Name of entity

Centrex Metals Limited

## ABN

97 096 298 752

## Quarter ended ("current quarter")

30 September 2019

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(1,287)	(1,287)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(203)	(203)
	(e) administration and corporate costs	(278)	(278)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	22	22
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes (paid) / refunded	-	-
1.7	Research and development refunds	-	-
1.8	Other	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,746)</b>	<b>(1,746)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire:		
	(a) property, plant and equipment	(2)	(2)
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.5	Other - customs duty refund	109	109
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>107</b>	<b>107</b>
<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>-</b>	<b>-</b>
<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,633	5,633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,746)	(1,746)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	107	107
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>3,994</b>	<b>3,994</b>
<b>5.</b>	<b>Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1	Bank balances	1,129	1,268
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other – term deposits (maturity within 90 days)	2,515	4,015
5.4	Secured term deposits *	350	350
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>3,994</b>	<b>5,633</b>

\* Term Deposits held in relation to secured bank guarantees

6.	Payments to directors of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to these parties included in item 1.2	82
6.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

7.	Payments to related entities of the entity and their associates	Current quarter \$A'000
7.1	Aggregate amount of payments to these parties included in item 1.2	-
7.2	Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3	Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8.	Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1	Loan facilities	-	-
8.2	Credit standby arrangements	-	-
8.3	Other (please specify)	-	-
8.4	Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

9.	Estimated cash outflows for next quarter	\$A'000
9.1	Exploration and evaluation	(898)
9.2	Development	-
9.3	Production	-
9.4	Staff costs	(200)
9.5	Administration and corporate costs	(236)
9.6	Other	-
9.7	Total estimated cash outflows	(1,334)

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced				
10.2	Interests in mining tenements and petroleum tenements acquired or increased	Northern Territory – EL 32082 EL 32091	Exploration leases granted from existing applications	Application Application	100% 100%

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



Company Secretary

Date: 17 October 2019

Print name:

Christine Manuel

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.