CENTREX METALS LIMITED

ASX Announcement March 2016

OXLEY POTASSIUM PROJECT

General Manager 8th March 2016

The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

Dear Sir/Madam

A NEW MAJOR POTASSIUM RESOURCE DEFINED AT OXLEY

Highlights

- 155 million tonne Inferred Mineral Resource at 8.3% K_2O (using a 6% K_2O cut-off grade) defined at Oxley from just 3km section of 32km striking ultrapotassic lava flow
- 38 million tonnes at 10% K_2O within Inferred Mineral Resource using a 9% K_2O cut-off grade
- Exploration Target interpreted over remaining deposit area, showing massive expansion potential
- Scoping Study for high value potassium fertiliser complex nearing completion
- Ultrapotassic lava flow is at surface, unlike deep underground evaporite deposits, and far higher grade than alternative brine sources
- Export infrastructure already exists at deposit located just 125km from Geraldton Port, in politically stable area for development

Summary

Centrex Metals Limited ("Centrex") has defined a new major potassium resource at its Oxley Potassium Project ("Oxley") just 125km from the Port of Geraldton in Western Australia. A maiden 155 million tonne Inferred Mineral Resource at 8.3% K_2O has been estimated (using a 6% K_2O cut-off) from just a 3km section of the overall 32km striking ultrapotassic lava flow that is the basis of the Project. The Inferred Mineral Resource includes 38 million tonnes at 10% K_2O using a 9% K_2O cut-off.

A further Exploration Target of 0.5 to 0.8 billion tonnes at between 7.5 and 9.5% K_2O has been interpreted over the remainder of the Oxley deposit, showing potential for large resource extensions in the future.

The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

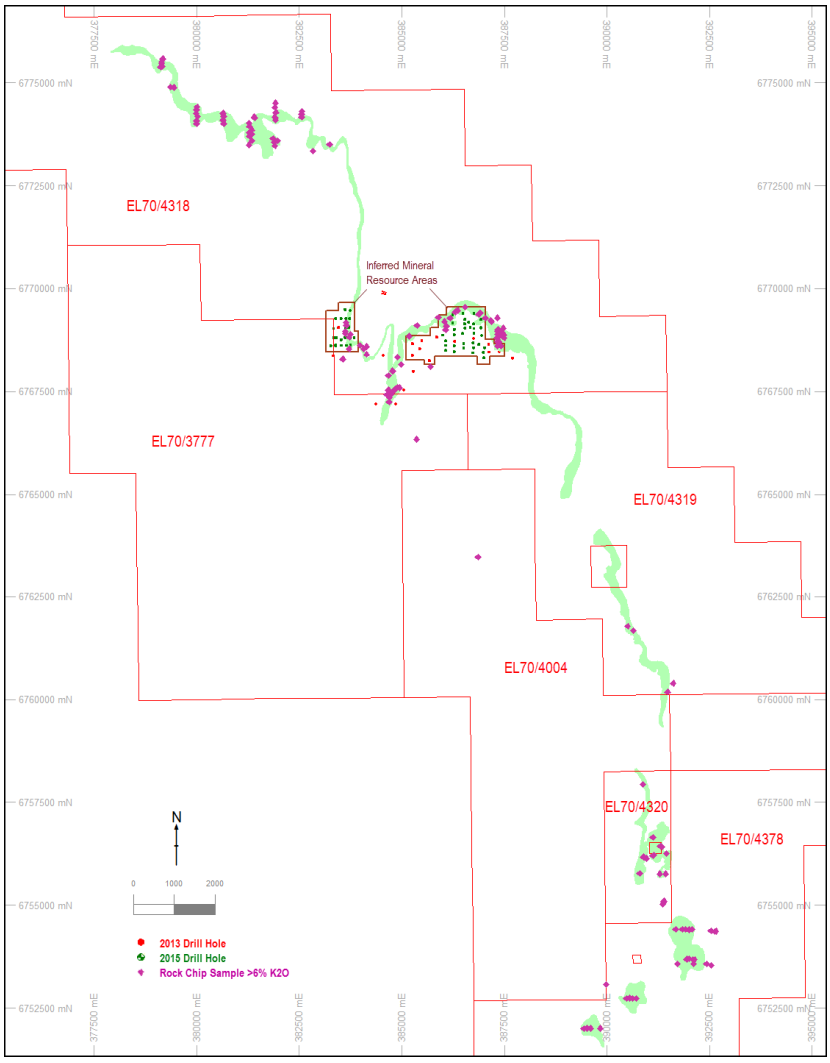

Figure: Plan view of Inferred Mineral Resource and Exploration Target areas defined by microsyenite (ultrapotassic lava flow, in green) outcrop over the Oxley deposit.

Centrex Chief Executive Ben Hammond commented;

"The announcement of the Inferred Mineral Resource today along with the Exploration Target shows the quality and huge expansion potential for Oxley as a source of potassium fertilisers. It occurs right at surface, not deep underground like the evaporite deposits, and it's far higher grade than the alternative brine sources.

Everything needed to make this project a success is within reach. All export infrastructure is already in place for a short haul to Geraldton just 125km away. This contrasts to the greater than 1,000km rail hauls needed for the majority of current potash exports, or the inland deposits proposed for development that are stranded without existing infrastructure.

We call it a potassium project as it is more than just another potash play. It's a proposed fully integrated high value specialty potassium fertiliser complex, drawing on the naturally available quality resources of the area. These resources include the adjacent brine held by Centrex for salt (chlorine), natural gas from the Perth Basin for nitrogen production, quality gypsum and limesand deposits close by as sources of sulphur and calcium, and the unique Oxley ultrapotassic lava itself providing potassium."

Oxley Project Overview

Centrex has developed a process route to produce specialty potassium fertilisers from potash feldspar ($KAlSi_3O_8$), which comprises the bulk of the Oxley ultrapotassic lava flow. Bench scale roast and leach testwork has already shown very high success with greater than 90% leach extraction of potassium using a salt flux. The salt for roasting will be provided from a brine source held by Centrex, directly adjacent to Oxley and which also contains potassium. Engineering design has commenced for a Scoping Study expected for completion in the first half of 2016 focusing on an initial start-up operation. With the large resource potential at Oxley there is scope for much larger operational expansions in the future with long mine lives.

The initial start-up operation will consider high-value potassium nitrate (KNO_3), and potassium sulphate fertiliser (K_2SO_4) options. Nitric acid for nitrate related products will be supplied from an on-site ammonia and nitric acid plant, supplied by a natural gas connection to the Perth Basin. Gas will also be utilised for roasting and power generation. Centrex has previously announced a Conceptual Study showing a competitive operating cost for making nitric acid onsite of $US 148 per tonne (on a 100% nitric acid equivalent basis) that includes pipeline connection capital recovery. Potassium nitrate (KNO_3) contains approximately 0.62 tonne of 100% nitric acid (HNO_3) equivalent. Analysis of the potential to further utilise the nitric acid plant along with locally available high quality limesand to produce horticultural calcium nitrate decahydrate fertiliser is also underway.

The project is ideally located close to all required infrastructure. The multi-user bulk minerals port of Geraldton is located 125km to the north-east, and can be accessed via either existing roads or multiple rail lines. Rail lines could also be potentially utilised for transport to the domestic market including the main horticultural areas in Eastern Australia.

For further details of current metallurgical testwork progress see announcement 12th October 2015:

http://www.asx.com.au/asxpdf/20151012/pdf/431zvgqrrwb7zs.pdf

The results were reported under JORC 2012 and Centrex is not aware of any new information or data that materially affects the information contained within the release.

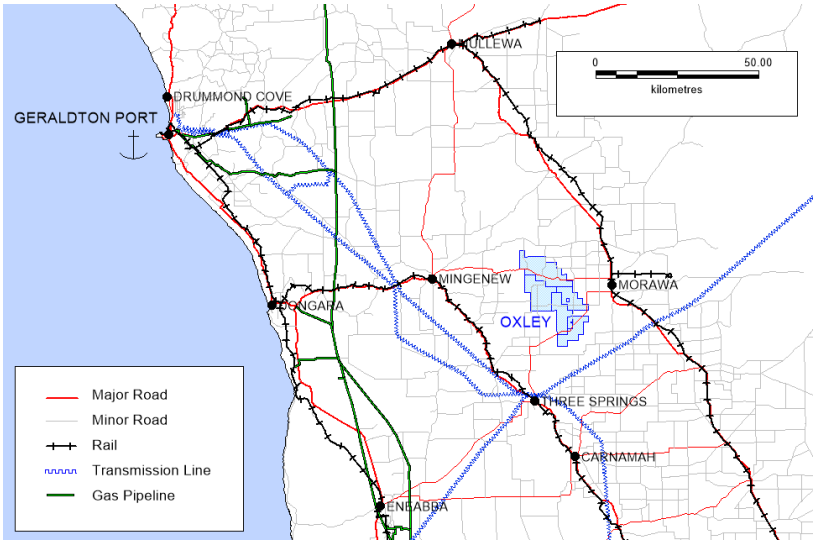

Figure: Oxley infrastructure location map.

Table: Updated Oxley Phase 1 project schedule estimate.

	2015				2016			
	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Oct-Dec
Metallurgical Bulk Sample Drilling								
Process Route Scoping								
Bench Scale Testwork								
Process Scoping Level Cost Estimates								
Conceptual Nitric Acid Plant Cost Estimate								
Resource Definition Drilling								
Resource Estimate								
Scoping Study								

Completed	
Commenced	

Resource Estimation

Independent mining consultants OreWin Pty Ltd ("OreWin") have reviewed the Oxley drilling data completed over an 3km strike length section of the deposit, and completed a geological model that has resulted in a maiden Inferred Mineral Resource of 155 million tonnes at an average grade of 8.3% K_2O using a 6% K_2O cut-off. The Inferred Mineral Resource includes 38 million tonnes at 10% K_2O using a 9% K_2O cut-off.

Table: Oxley Inferred Resource at varying cut-off grades.

Cut-Off GradeK2O%	Mt	K_2O%
6	154.7	8.3
7	134.0	8.5
8	83.0	9.1
9	37.9	10.0
10	14.8	10.8
11	4.2	11.6

A further Exploration Target of 0.5 to 0.8 billion tonnes at between 7.5 and 9.5% K_2O has been interpreted over the remainder of the Oxley deposit, showing potential for large resource extensions in the future. Upon completion of a successful Scoping Study Centrex intends to drill out further areas of the deposit.

The potential quantity and grade of the Exploration Target is conceptual in nature and there has been insufficient exploration to define a Mineral Resource. It is uncertain if further exploration will result in the determination of a Mineral Resource.

The Oxley potassium deposit comprises a series of ultrapotassic lava flows that outcrop along a strike length of 32km.

Recent resource definition drilling focused on two areas with a combined strike length of 3km (eastern and western areas) located on both ends of an overall 8km strike length section of the deposit previously covered with wide-spaced exploration drilling. The lavas exhibit gentle open folding with a regional shallow plunge to the south. Resource definition drilling was completed on a nominal 240m by 120m pattern with vertical holes. Drilling intersections have so far shown the mineralisation occurs at surface to depths of up to 178m. Ultrapotassic microsyenite lava down hole thicknesses average around 30m, often with interbeds of trachybasalt, and with the formation thickness eroded where at surface. Sampling was undertaken at 1m intervals and analysis by XRF.

Grade estimation was undertaken using inverse distance squared interpolation. The Mineral Resource was reported starting at a 6% K_2O cut-off grade and was confined to the interpreted ultrapotassic microsyenite lava domain. The drilling program was designed to obtain sufficient good quality drilling information to achieve a Mineral Resource. The resultant Mineral Resource is classified as Inferred.

The Exploration Target is along strike and within the same ultrapotassic lava flow as the Inferred Mineral Resource and its associated 74 reverse circulation ("RC") and 4 diamond drill ("DD") holes. The Exploration Target is further supported by 264 rock chips (229 from volcanic lithologies), surface mapping (outcrop along most of the length), and airborne magnetic and radiometric data along the 32km length of the deposit. The Exploration Target quantity range was calculated using mapped outcrop, radiometrics, and rock chips to estimate the strike length, and a combination of outcrop mapped structural measurement and extrapolation from areas already drilled to estimate thickness. The grade range was estimated from a combination of the rock chips over the areas and the current drilling database.

Both the Inferred Mineral Resource and the Exploration Target were prepared under the JORC Code (2012).

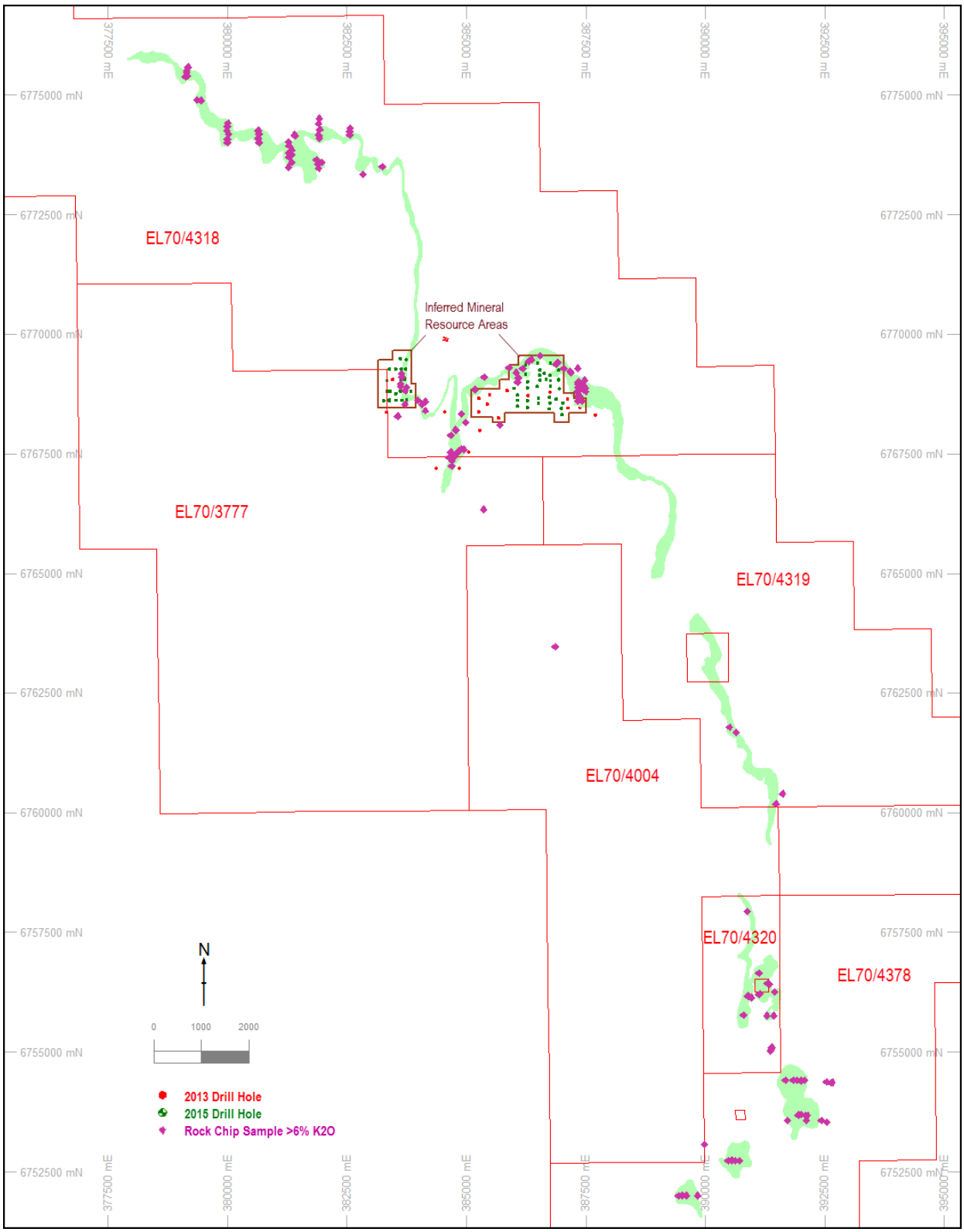

Figure: Plan view of Inferred Mineral Resource and Exploration Target areas defined by microsyenite (ultrapotassic lava) outcrop over the Oxley deposit.

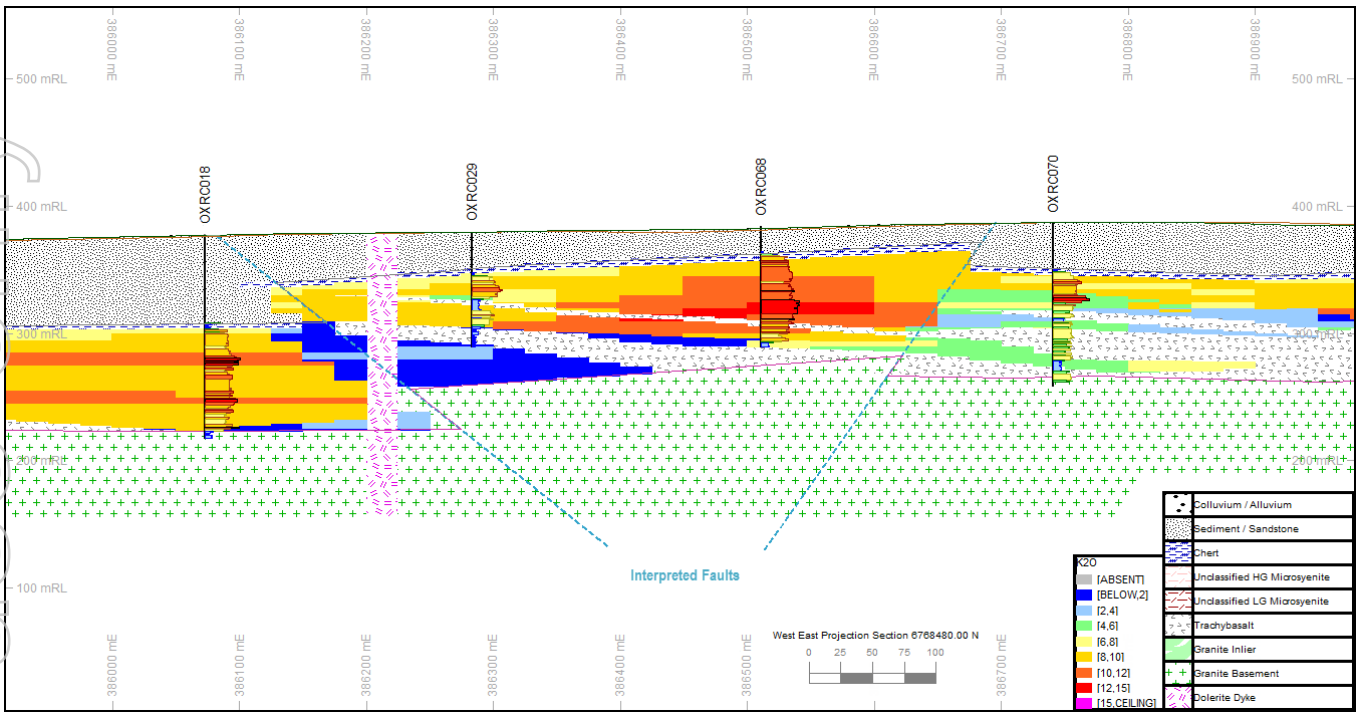

Figure: West-east section of eastern area drilled.

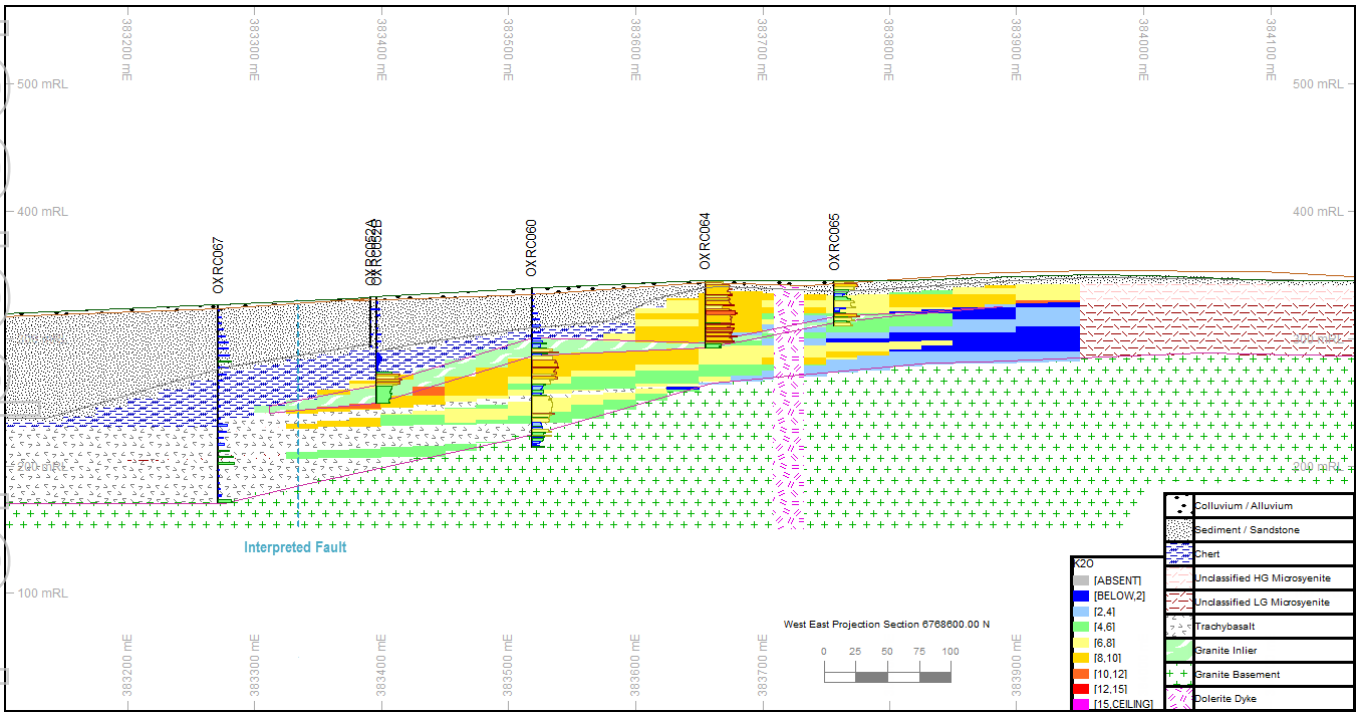

Figure: West-east section of western area drilled.

For further information please contact:

Ben Hammond
Chief Executive Officer
Centrex Metals Limited
Ph (08) 8100 2200

Alastair Watts
General Manager Exploration
Centrex Metals Limited
Ph (08) 8100 2200

Appendix – Technical Information.

Table: Oxley Drill Hole Details and Mineralised Microsyenite Intervals (K2O > 6.0%).

Drillhole Details								Mineralised Microsyenite Intervals (selection criteria for inclusion = K_2O > 6.0%)			
BHID	Easting (DGPS)	Northing (DGPS)	Elevation (DGPS)	Azimuth	Dip	Hole Depth	Date Completed	From (m)	To (m)	Length (m)	K_2O (%)
DIAMOND DRILL HOLES											
OXDD001	387,133	6,768,448	383	0	-70	65.9	21/04/2013	No intervals meet criteria			
OXDD002	386,295	6,768,713	376	0	-70	118.8	26/04/2013	19	21	2	7.4
								22	24	2	7.0
								25	36	11	9.5
OXDD003A	385,445	6,768,533	367	0	-70	32.9	29/04/2013	No intervals meet criteria			
OXDD003B	385,445	6,768,534	367	0	-70	173.8	6/05/2013	71.2	83	11.8	7.5
								84	85	1	6.6
								103	105	2	7.7
OXDD004	383,521	6,768,750	335	0	-90	52.5	11/07/2015	128.4	132.4	4	8.5
								133.4	140.4	7	10.6
								144.4	145.4	1	6.0
								146.4	154.4	8	10.6
								155.4	164.4	9	11.1
								165.4	171.4	6	10.9
								172.4	178.4	6	10.8
REVERSE CIRCULATION DRILL HOLES											
OXRC001	387,119	6,768,628	379	0	-90	118.0	22/04/2013	39	59	20	8.4
								60	83	23	8.4
								84	86	2	7.4
								88	97	9	9.0
								98	107	9	8.8
OXRC002	386,749	6,768,782	388	0	-90	118.0	23/04/2013	35	80	45	8.9
								84	85	1	6.0
								86	107	21	8.4
OXRC003	385,851	6,768,809	368	0	-90	124.0	23/04/2013	48	49	1	7.9
								50	60	10	8.1
OXRC004	385,490	6,768,724	366	0	-90	94.0	24/04/2013	41	42	1	6.7
								43	54	11	8.4
								59	61	2	6.9
								62	65	3	7.2
OXRC005	385,263	6,768,654	373	0	-90	100.0	24/04/2013	50	66	16	8.3
OXRC006	385,264	6,768,373	362	0	-90	112.0	25/04/2013	No intervals meet criteria			

Drillhole Details								Mineralised Microsyenite Intervals (selection criteria for inclusion = K_2O > 6.0%)			
BHID	Easting (DGPS)	Northing (DGPS)	Elevation (DGPS)	Azimuth	Dip	Hole Depth	Date Completed	From (m)	To (m)	Length (m)	K_2O (%)
OXRC007	385,280	6,767,978	360	0	-90	136.0	26/04/2013	77	101	24	7.8
								103	106	3	7.6
								107	108	1	8.1
OXRC008	385,055	6,767,534	363	0	-90	124.0	26/04/2013	No intervals meet criteria			
OXRC009	385,673	6,768,243	369	0	-90	40.0	27/04/2013	No intervals meet criteria			
OXRC010	384,851	6,767,189	362	0	-90	100.0	27/04/2013	34	48	14	9.3
								50	51	1	6.6
OXRC011	383,334	6,768,361	329			175.0	29/04/2013	No intervals meet criteria			
OXRC012	384,368	6,767,186	352	0	-90	89.0	29/04/2013	37	68	31	9.3
								71	79	8	10.5
OXRC013	383,464	6,769,044	333	0	-90	88.0	30/04/2013	54	81	27	9.3
OXRC014	384,554	6,768,369	368	0	-90	160.0	1/05/2013	74	103	29	9.0
								104	116	12	8.3
								118	127	9	7.7
OXRC015	383,523	6,768,747	335	0	-90	61.0	1/05/2013	3	4	1	8.5
								6	48	42	10.4
OXRC016	387,380	6,768,460	377	0	-90	40.0	1/05/2013	No intervals meet criteria			
OXRC017	387,700	6,768,304	381	0	-90	25.0	2/05/2013	No intervals meet criteria			
OXRC018	386,073	6,768,487	377	0	-90	160.0	16/12/2015	75	76	1	8.3
								77	154	77	9.3
OXRC019	386,072	6,768,608	376	0	-90	74.0	12/12/2015	41	42	1	6.6
								43	51	8	8.6
OXRC020	386,074	6,768,721	373	0	-90	65.0	21/11/2015	19	30	11	8.9
								41	43	2	7.0
								44	45	1	6.7
								51	52	1	6.1
OXRC021	386,006	6,768,865	370	0	-90	65.0	3/12/2015	47	61	14	7.8
OXRC022	386,067	6,769,046	366	0	-90	41.0	10/11/2015	1	13	12	11.2
OXRC023	386,083	6,769,170	367	0	-90	35.0	10/11/2015	0	18	18	9.8
OXRC024	386,246	6,769,355	383	0	-90	11.0	10/11/2015	5	6	1	7.0
								9	11	2	7.9
OXRC025	386,242	6,769,150	377	0	-90	23.0	10/11/2015	3	9	6	9.5
								11	21	10	8.7
								22	23	1	7.0
OXRC026	386,281	6,769,004	384	0	-90	41.0	9/11/2015	12	20	8	9.4
								31	34	3	7.9
OXRC027	386,287	6,768,871	377	0	-90	55.0	9/11/2015	12	13	1	6.3
								15	22	7	9.5
								26	30	4	7.6
								32	38	6	8.2
OXRC028	386,281	6,768,600	379	0	-90	86.0	13/12/2015	30	77	47	10.5
OXRC029	386,283	6,768,465	379	0	-90	90.0	16/12/2015	35	52	17	8.8
								62	67	5	7.5
								68	73	5	6.9
OXRC031	386,515	6,768,649	381	0	-90	71.0	18/11/2015	12	24	12	7.7
								33	34	1	6.1
								48	52	4	7.3

Drillhole Details								Mineralised Microsyenite Intervals (selection criteria for inclusion = K_2O > 6.0%)			
BHID	Easting (DGPS)	Northing (DGPS)	Elevation (DGPS)	Azimuth	Dip	Hole Depth	Date Completed	From (m)	To (m)	Length (m)	K_2O (%)
OXRC032	386,481	6,768,899	386	0	-90	47.0	2/11/2015	6	8	2	7.1
								10	20	10	9.5
								26	30	4	6.5
OXRC033	386,543	6,769,030	393	0	-90	48.0	1/11/2015	7	8	1	6.8
								12	30	18	10.3
OXRC034	386,531	6,769,130	396	0	-90	43.0	31/10/2015	11	19	8	9.0
								28	29	1	6.0
OXRC035	386,545	6,769,246	402	0	-90	41.0	31/10/2015	10	19	9	8.8
								26	28	2	7.6
OXRC036	386,493	6,769,389	398	0	-90	23.0	12/11/2015	3	8	5	8.1
								13	14	1	7.1
OXRC037	386,764	6,769,377	393	0	-90	23.0	12/11/2015	2	9	7	9.2
OXRC038	386,935	6,769,246	374			20.0	12/11/2015	No intervals meet criteria			
OXRC039	386,755	6,769,136	396	0	-90	53.0	3/11/2015	12	28	16	9.1
OXRC040	386,758	6,769,023	395	0	-90	63.0	4/11/2015	13	24	11	8.7
								32	33	1	6.6
OXRC041A	386,931	6,769,042	389	0	-90	53.0	25/11/2015	26	40	14	10.4
								41	43	2	7.4
								45	50	5	8.3
OXRC041B	386,930	6,769,029	389	0	-90	89.0	8/11/2015	27	44	17	9.0
								45	63	18	7.9
								69	72	3	7.8
OXRC042	386,766	6,768,910	392	0	-90	62.0	5/11/2015	9	11	2	7.6
								12	19	7	9.6
								26	28	2	7.0
								30	32	2	7.7
OXRC043	386,744	6,768,669	388	0	-90	119.0	17/11/2015	39	40	1	8.0
								41	52	11	7.5
								54	78	24	9.2
								85	92	7	7.5
								93	97	4	6.9
OXRC047	386,884	6,768,632	386	0	-90	113.0	16/11/2015	31	32	1	7.0
								33	52	19	7.5
OXRC048	386,953	6,768,856	389	0	-90	79.0	7/11/2015	35	41	6	7.6
								43	44	1	8.2
OXRC049	387,018	6,768,556	383	0	-90	112.0	14/11/2015	36	56	20	8.0
OXRC052A	383,392	6,768,603	332	0	-90	39.0	25/11/2015	No intervals meet criteria			
OXRC052B	383,397	6,768,619	332	0	-90	83.0	7/12/2015	60	69	9	8.1
OXRC053A	383,404	6,768,786	332	0	-90	59.0	2/12/2015	No intervals meet criteria			
OXRC053B	383,403	6,768,803	332	0	-90	107.0	6/12/2015	No intervals meet criteria			
OXRC054	383,627	6,768,803	339	0	-90	47.0	26/11/2015	2	7	5	8.6
								9	35	26	8.9
OXRC055	383,628	6,769,045	340	0	-90	59.0	26/11/2015	4	13	9	9.6
								16	26	10	8.4
								39	58	19	8.7
OXRC056	383,641	6,769,259	332	0	-90	55.0	26/11/2015	9	24	15	8.6
								27	36	9	7.2
								47	49	2	9.0

Drillhole Details								Mineralised Microsyenite Intervals (selection criteria for inclusion = K_2O > 6.0%)			
BHID	Easting (DGPS)	Northing (DGPS)	Elevation (DGPS)	Azimuth	Dip	Hole Depth	Date Completed	From (m)	To (m)	Length (m)	K_2O (%)
OXRC057	383,517	6,769,265	328	0	-90	89.0	27/11/2015	80	87	7	8.8
OXRC058	383,396	6,769,264	323	0	-90	71.0	28/11/2015	No intervals meet criteria			
OXRC059	383,340	6,769,019	327	0	-90	65.0	29/11/2015	No intervals meet criteria			
OXRC060	383,519	6,768,611	339	0	-90	125.0	11/12/2015	53	75	22	8.4
								86	101	15	7.2
								111	113	2	6.7
OXRC061	383,754	6,768,802	340	0	-90	41.0	11/12/2015	1	3	2	7.0
								8	20	12	7.5
								21	31	10	8.1
OXRC062	383,621	6,769,480	324	0	-90	71.0	2/12/2015	9	10	1	6.3
OXRC063	383,744	6,769,461	326	0	-90	29.0	2/12/2015	5	6	1	6.3
								7	13	6	7.9
								14	17	3	10.2
								18	19	1	6.8
OXRC064	383,656	6,768,611	345	0	-90	53.0	11/12/2015	1	33	32	8.9
								34	49	15	9.8
OXRC065	383,757	6,768,624	345	0	-90	35.0	0/01/1900	2	7	5	7.7
								15	21	6	6.9
								26	28	2	8.7
								33	35	2	6.5
OXRC066	383,341	6,768,804	329	0	-90	148.0	9/12/2015	79	80	1	6.8
								99	100	1	6.3
OXRC067	383,272	6,768,602	326	0	-90	155.0	8/12/2015	No intervals meet criteria			
OXRC068	386,511	6,768,537	384	0	-90	95.0	14/12/2015	23	47	24	10.1
								48	78	30	11.9
								79	91	12	9.0
OXRC069	386,754	6,768,550	388	0	-90	100.0	13/12/2015	46	47	1	6.8
								48	55	7	8.0
OXRC070	386,741	6,768,434	386	0	-90	128.0	13/12/2015	39	62	23	9.1
								64	69	5	7.3
								71	74	3	6.8
								84	91	7	6.8
								99	100	1	6.1
								102	103	1	6.6
								104	107	3	6.6
OXRC071	386,997	6,768,442	386	0	-90	132.0	14/12/2015	47	89	42	10.4
								89	92	3	7.0
								97	98	1	6.8
OXRC072	387,002	6,768,316	386	0	-90	138.0	15/12/2015	52	57	5	9.4
								58	59	1	8.1
								63	70	7	7.9
								71	72	1	7.7
								85	89	4	7.1
								90	101	11	7.0
								123	130	7	6.7
OXRC073	383,839	6,768,802	339	0	-90	29.0	14/12/2015	No intervals meet criteria			
OXRC074	383,715	6,769,044	335	0	-90	35.0	14/12/2015	1	6	5	8.4
								7	8	1	6.2

Drillhole Details								Mineralised Microsyenite Intervals (selection criteria for inclusion = K_2O > 6.0%)			
BHID	Easting (DGPS)	Northing (DGPS)	Elevation (DGPS)	Azimuth	Dip	Hole Depth	Date Completed	From (m)	To (m)	Length (m)	K_2O (%)
OXRC075	383,727	6,769,263	330	0	-90	17.0	15/12/2015	3	9	6	9.7
OXRCWB1	386,636	6,769,169	397	0	-90	53.0	7/11/2015	21	28	7	7.5
								29	33	4	6.6
OXRCWB2	386,672	6,769,049	393	0	-90	53.0	21/11/2015	7	8	1	6.4
								10	18	8	8.9
								23	24	1	6.5

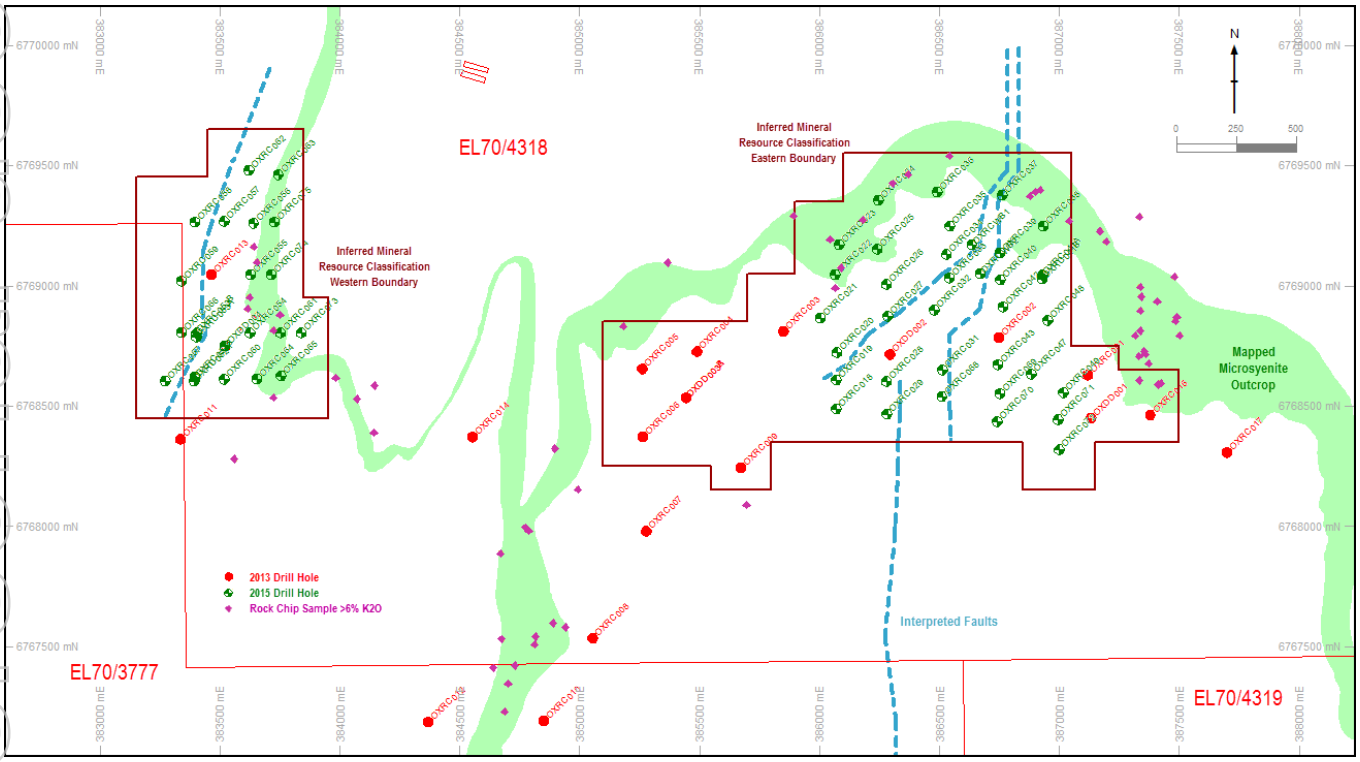

Figure: Plan showing drill hole collar locations, rock chip sample locations, mapped microsyenite outcrop, and Inferred Mineral Resource classification boundaries.

Competent Persons Statement

The information in this report relating to Mineral Resources and the Exploration Target is based on and accurately reflects information compiled by Ms Sharron Sylvester of OreWin Pty Ltd, who is a consultant and adviser to Centrex Metals Limited and who is a Member of the Australian Institute of Geoscientists (RPGeo). Ms Sylvester has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity she 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". Ms Sylvester consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report relating to Exploration Results is based on information compiled by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is the General Manager Exploration of Centrex Metals Limited. Mr Watts 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 Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Oxley Potash Project JORC Table 1 Report

Section 1: Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling.* • *Sample representivity.* • *Determination of mineralisation.*	Reverse circulation ("RC") and diamond drill ("DD") hole(s) were sampled at 1m intervals downhole. Sampling was undertaken within identified units of ultrapotassic lava and tuff, and any other lithology that wasn't clearly recognised as waste. Waste rock above the mineralised contact was not routinely sampled. RC samples were collected from rotary cone splitters. Diamond core was sampled as either half or quarter core via an automatic core saw. The sample weights were nominally 1–3kg. RC and diamond core samples for drill holes OXDD004 and OXRC018–75 inclusive were sent to Bureau Veritas Minerals Pty Ltd ("BV") in Perth for processing and sample preparation via crushing to 80% passing –3mm and then pulverising a sub-sample up to 2.4kg to 95% passing 75 microns. XRF was completed for major elements. Sampling was checked via field duplicates sent for assay every 25th sample.
Drilling techniques	• *Drill type.*	Drilling was completed using RC (74 holes) and DD (4 holes) methods. The RC holes were a mixture of 4½" and 5½" hammers. The DD holes OXDD001, OXDD002, and OXDD003B were HQ, and OXDD004 was PQ in size.
Drill sample recovery	• *Method of recording and assessing sample recoveries.* • *Measures taken to maximise sample recovery.*	Recovery has been recorded for DD by measuring core lengths recovered. The majority of recovered core was greater than 90% within the mineralised horizon. RC drilling recoveries were visually monitored by contract geologists with good weights obtained in most samples. Any sample recovery issues were addressed at the time. Sample recovery was good in the mineralised units therefore no study into the relationship between sample recovery and grade was considered necessary.
Logging	• *Geological and geotechnical logging.* • *Whether logging is qualitative or quantitative.* • *Total length and percentage of the relevant intersections logged.*	All RC 1m sample intervals were logged for colour, hardness, oxidation, lithology, mineralogy and stratigraphy. The geological logging is primarily qualitative in nature. The geological logging is considered to be of sufficient detail for Mineral Resource estimation. Full and half core have been photographed. Keepsake chip tray samples

Criteria	JORC Code explanation	Commentary
		have been retained for the RC drill holes.
Sub-sampling techniques and sample preparation	• *Nature, quality and appropriateness of the sample preparation technique.* • *Quality control.* • *Sample representivity.* • *Sample sizes*	RC chips were collected from a cone splitter mounted at the cyclone discharge in one metre intervals into sequentially numbered sample bags of 1–3kg weight. Remaining reject splits were collected in green plastic bags for future analyses. The DD core was sawn into halves lengthways, then one half was halved lengthways again to produce quarters. One of these quarters of the core was sent to the laboratory for analyses. Field duplicates and commercially available CRM's were routinely submitted approximately every 25th sample. Blanks were routinely submitted approximately every 50th sample. Results from field duplicates showed that the sample size at around 1–3kg is appropriate for the grain size and showed good repeatability. At Bureau Veritas in Perth ("BV") samples were dried at 105˚C for 24 hours before being Boyd crushed to 3mm. A sub-sample was then riffle split up to 2.4kg and then robotically pulverised to 90% passing 75 microns for XRF analysis. LOI's were completed to 1000 ° C. At BV, pulp repeats were undertaken every 25th sample and CRM's were inserted every 25th sample. Samples were crushed to –3mm prior to sub-sampling for pulverising and XRF analysis.
Quality of assay data and laboratory tests	• *Nature of quality control procedures.*	Field duplicates and commercially available CRM's were routinely submitted approximately every 25th sample. Blanks were routinely submitted approximately every 50th sample. Laboratory duplicates and standards were also undertaken at Bureau Veritas in Perth. Samples were crushed to –3mm split prior to sub-sampling for pulverising and XRF analysis. LOI's were completed to 1000°C. At BV, pulp repeats were undertaken every 25th sample and CRM's were inserted every 25th sample. Samples were crushed to –3mm prior to sub-sampling for pulverising and XRF analysis. An external laboratory check was undertaken with a batch of 60 pulp samples from BV that were submitted to Australian Laboratory Services Pty Ltd (ALS) at Malaga WA. The results were comparable with BV and within acceptable limits. The results from the standards and the duplicates indicate good overall levels of accuracy and precision and are considered acceptable for the purpose of this study.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage protocols.* • *Any adjustment to assay data.*	All sample results were checked and verified against core and chip logging and photography by alternative company personnel. Geological data is manually entered and stored electronically on a restricted access server in the form of MS Excel files. All electronic data is routinely backed up. Assay results files are checked against geological logging, drill core and RC chips. The RC hole OXRC015 was twinned with a diamond drill hole OXDD004 showing a good correlation. OreWin Pty Ltd (OreWin) independent geologists have reviewed the sample data, QA/QC data, and drill hole survey data. OreWin was supplied with MS Excel files of geological logs, assay results, surveyed collar coordinates,

Criteria	JORC Code explanation	Commentary
		core photos, geophysical magnetics data and geological mapping data.
Location of data points	• *Accuracy and quality of surveys.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	Drill hole collar coordinates were collected by a licensed surveyor using a Differential GPS (DGPS) with an accuracy of 0.3m. The coordinate system reported is MGA Zone 50 (GDA94). A topographic digital terrain model (DTM) was supplied, based on 5m contours. The DTM was generated from an airborne magnetics survey and adjusted to drill hole collars and is considered acceptable to +/- 10m.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • Whether the data spacing *and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource.* • *Whether sample compositing has been applied.*	Drilling was undertaken on a nominal 240m along strike and 120m across strike pattern. The drill hole spacing is considered appropriate for a Mineral Resource and an Exploration Target. Samples were taken at 1m intervals. No compositing has been applied.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling.*	The majority of drilling to date has been vertical given the shallow to moderately dipping nature of the orebody. The base and the top of the orebody are both unconformities showing undulation and variation in thickness vertically.
Sample security	• *The measures taken to ensure sample security.*	Samples are bagged and then further packed into larger polyweave bags and dispatched directly from site on a regular basis using a courier.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	All sampling procedures have been reviewed by Centrex and its geological consultants. The geological modelling and resource estimation was undertaken by an independent consultant.

Section 2: Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements.* • *The security of the tenure held at the time of reporting.*	Drilling reported has been completed on E70/3777 and E70/4318 both held by Centrex Potash Pty Ltd, a 100% subsidiary of Centrex. All tenure is in good standing.
Exploration done by other parties	• *Exploration by other parties.*	Historical drill hole information (OXRC001–017 and OXDD001–03B) was previously reported by Centrex in the announcement on the 8th March 2015: http://www.asx.com.au/asxpdf/20150309/pdf/42x4hkg86j6w1d.pdf

Criteria	JORC Code explanation	Commentary
Geology	• *Deposit type, geological setting and style of mineralisation.*	The targeted mineralised horizon is a series of ultrapotassic lava flows. The flows are thought to be formed from an abandoned Proterozoic rifting event in the Yilgarn Basin. The ultrapotassic lava comprises multiple flow events and the high potassium content is thought to have occurred due to differentiation within the magma chamber resulting in lava flows with variable low and high potassium grades. The lava flows are thought to be terrestrial with no observable pillow flow tops and deposition thickness was controlled by the palaeosurface. The deposit represents an unconventional hard rock potash deposit or ceramic feldspar deposit.
Drill hole Information	• *A summary of all information material to the understanding of the exploration results.*	The relevant exploration results including tables of drill hole locations and assay results have been included in the Appendix – Technical Information.
Data aggregation methods	• *Weighting averaging techniques and grade cuts.* • *Aggregation procedure.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	The reported intervals were compiled by weighted average for consecutive 1m sample intervals.
Relationship between mineralisation widths and intercept lengths	• *Geometry of the mineralisation with respect to the drill hole angle.*	The mineralised unit is sub horizontal to shallow dipping at between 10° to 20°, meaning true thickness of mineralisation may be slightly less than the down hole intervals reported.
Diagrams	• *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 and the Appendix.
Balanced reporting	• *Representative reporting of both low and high grades and/or widths.*	The reporting of results in the Appendix – Technical Information, are considered to be balanced and all relevant results have been reported.
Other substantive exploration data	• *Other exploration data.*	Geophysical data (magnetics and radiometrics) is available for this project area.
Further work	• *The nature and scale of planned further work.*	A Scoping Study is currently being undertaken for the project.

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted.* • *Data validation procedures used.*	Assay results are verified by checking against geological logs, chip tray samples, remaining drill core and drill chips. All assay data is checked for outliers in MS Excel and validated. Random cross checks were undertaken between the original laboratory assay data and the dataset issued by Centrex to ensure data integrity had been maintained. No discrepancies were identified. Routine validation was undertaken to ensure there were no overlaps or unexpected gaps or duplicate intervals in the drillhole data. No issues were identified. Collar locations were plotted against site-produced plans to ensure they were located as expected. No issues were identified.
Site visits	• *Comment on any site visits undertaken by the Competent Person.* • *If no site visits have been undertaken indicate why this is the case.*	Site visits were regularly undertaken during the drilling program by the Centrex Competent Person and sampling, logging, and recording procedures were being followed correctly. The independent Competent Person visited the Oxley project area on 17th November 2015.The site visit included inspection of ultrapotassic lava outcrops, inspection of the operating drill rig, and discussions with site personnel. All practices observed while on site were being undertaken to acceptable standards.
Geological interpretation	*Confidence in the geological interpretation*	The logged lithology in the drill hole database, in combination with assay results, surface mapping and rock chip results and geophysical (radiometrics and magnetic intensity) data, enabled the interpretation of layered ultrapotassic lava flows. The geological interpretations were developed using Datamine software. The dataset supplied by Centrex for this study is considered to be of good quality and to have a good level of detail. The interpretation of the granite basement vertically constrains the interpretation of the overlying lava-hosted mineralised domains. The lava units are interpreted as sub horizontal to gently dipping 10° to 20° towards the south-west. The mineralisation was constrained within the interpreted higher and lower grade K_2O lava units. The interpretation was based on geological logging and chemical analysis referenced to a 'total alkali-versus-silica' (or TAS) diagram (Na_2O+K_2O vs. SiO_2). At the limits of drilling data, mineralisation was interpreted to extend half the distance between drill sections in plan, and generally not more than 10m down-dip from the closest drillhole.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	Outcrop mapping and rock chip sampling of the ultrapotassic lava units has been undertaken over the 32km length of the deposit. Drilling has focussed on a 3km section of the deposit with the ultrapotassic microsyenite lava units range from 1–88m in thickness, with an average of 30m, often interbedded with trachybasalt, and erosion of units at surface. Mapped folding and faulting (+/- dolerite dyke intrusion) has been interpreted

Criteria	JORC Code explanation	Commentary
		to locally offset and constrain the interpretation of the lava units; the larger thicknesses of the lava flows have in places been interpreted to be a result of repetition in adjacent fault blocks. An irregular and unconformable granitic basement forms the base of the lava units.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions.* • *The availability of check estimates.*	Resource estimation was completed using Datamine software. The variables estimated were: K_2O, Al_2O_3, BaO, CaO, Cr_2O_3, Cu, Fe_2O_3, LOI, MgO, MnO, Na_2O, Ni, P_2O_5, SiO_2, SO_3, TiO_2, Zn, and Density. As the raw sample length was a uniform 1m, the drill hole sample file used in estimation was not composited. Grade estimation for the mineralised units was undertaken using the Inverse Distance Squared (ID^2) method. Grade estimation into model cells was limited to include only samples flagged with like domains. High-grade and low-grade mineralised domains were modelled separately using 3D wireframe surfaces. The parent cell dimensions are 50 x 100 x 5m (X x Y x Z). Subcelling was used to honour geological boundaries. The cell size configuration is considered suitable given the geometry of the geological horizons and the layout of the drill holes. Volumes of the model domains were verified with the volumes from the wireframes. Search ellipse orientation was achieved using a process called 'Dynamic Anisotropy'. This process facilitates the orienting of the search ellipse used to achieve the estimate in each cell to broadly honour the local spatial variation in the mineralised lenses in terms of dip, dip direction, and plunge of the mineralisation boundaries. A three-pass search method was used, with the first (smallest) search ellipse being 250 m x 500 m x 10 m (X x Y x Z) in diameter, the second pass ellipse being 5-times the size of the first pass, and the third pass ellipse being 10-times the size of the first pass. A minimum of three and maximum of 16 composites were permitted to inform all estimation passes for the main mineralised unit (microsyenite). A maximum of four samples were permitted from any one drillhole to assist with honouring the interpreted sub horizontal lava flow zonation. Octant searching was used, primarily to limit the number of samples from any one octant permitted to inform the estimation to five. A cell discretisation regime of 3 x 3 x 2 (X x Y x Z) was used when estimating grades into parent cells, with the average of these results assigned to the parent cell and all like-domained subcells. Default values were applied to model cells that persisted with no grade estimates. The defaults were derived from the mean of the estimates in populated model cells of like-domain. Summary statistics were examined for the model estimates by domain. Comparison of the drillhole mean grades and estimated mean grades show relatively minor differences overall. No production or bulk sample data is available; therefore, no reconciliation

Criteria	JORC Code explanation	Commentary
		is possible at this stage.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture.*	Tonnages are based on dry bulk density measurements taken from Archimedes measurements on diamond core. A total of 37 density data were available to be used in density estimation.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	On completion of statistical analysis, it was determined that no grade capping was necessary. The interpretation of the lower and higher K_2O grade units was based on geological logging and chemical analysis referenced to a 'total alkali-versus-silica' (or TAS) diagram (Na_2O+K_2O vs. SiO_2).
Mining factors or assumptions	• *Assumptions made regarding reasonable prospects for eventual economic extraction.*	Given the proximity to the topographic surface, and the dip and width of the mineralised domains, it has been assumed that the Oxley Deposit is amenable to open pit mining methods. The reporting cut-off of 6% K_2O is derived from financial modelling being undertaken by Centrex, and with reference to other resource estimates and feasibility studies of deposits of a similar nature. This cut-off is considered to be preliminary and is likely to be updated as studies progress, therefore the Mineral Resource is presented along with a grade tonnage curve showing the tonnage and grade at various K_2O cut-off's.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability.*	Laboratory-scale metallurgical testwork undertaken by Centrex has shown that the ultrapotassic lava is amenable to metallurgical extraction. PFS-level metallurgical and engineering studies are required to further analyse this.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options.*	Based on lithologies intersected to date and petrology, mine waste is expected to be disposed of in standard waste dump facilities. From bench scale testwork results process residues are anticipated to compose inert material of mainly feldspar, and will be dewatered for either paste or dry-stack disposal. Environmental impact and PFS-level engineering studies are required to further analyse this.
Bulk density	• *Whether assumed or determined.*	A total of 37 density samples of the various rock types were obtained from drill core using Archimedes methods. Density values were estimated into the volume model for each of the lava units by ID^2.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.*	The quantum of drill holes over the Oxley deposit, together with the quality of the resultant data, has enabled 3D interpretation of continuous discrete lava units that can be used to estimate tonnages and grades with a level of confidence compatible with classification as an Inferred Mineral Resource. The wide drill hole spacing has reduced the ability to accurately identify potentially disruptive structural features, and as a result the confidence in the continuity of the mineralisation is reduced. The precise nature of the geometry of the lava units is not well defined at this stage, and there is a level of doubt in regard to the continuousness of each lava lens and some difficulty confirming which lava lens some of the drillhole intercepts represent. No variography was undertaken.

Criteria	JORC Code explanation	Commentary
		As a result of these factors, the opinion of the Competent Person is that the entire Mineral Resource is classified as Inferred.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	No independent audits or reviews of the Mineral Resource estimation have been undertaken to date. The geological modelling and resource estimation was undertaken by an independent consultant. Internal peer review has been undertaken.
Discussion of relative accuracy/ confidence	• *Statement of the relative accuracy and confidence level in the Mineral Resource estimate.*	This statement relates to the global Oxley Potash Mineral Resource estimate. Extensive validation of the estimates has been undertaken, with the results showing a relative accuracy supportive of classification as an Inferred Mineral Resource. Further data is required to be collected to infill the wide spacing between some drill sections, and to ensure that all mineralised lenses on-section have adequate drill intersections to define the boundaries accurately. There has been no production at this site to date, therefore the performance of the estimates has not been tested.