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ASX Announcement

CENTREX METALS LIMITED

Quarterly Activities Report September 2020

27 Oct 2020

ASX Code: CXM

Issued Capital:

Shares	325.7M
Options/ Rights	0
Share Price	A$0.027
Market Cap.	A$8.79m
Cash (30 Sept)	A$1.864M

Board of Directors:

Graham Chrisp
Executive Chairman

Peter Cox
Non-Executive Director

Dr A John Parker
Non-Executive Director

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Highlights

Corporate

- **A$1.864 million cash reserves as at 30th September 2020**
- **Rights Issue for non renounceable share and option issue**
- **Continual Cost Savings Being Achieved**

Project Advancement

- **Ardmore Phosphate Project is progressing and plans are being formulated for commencement of mining.**
- **Oxley Potash continues to advance with work by external consultants on processing and product alternatives.**
- **Goulburn Gold/Base Metals Project exploration programmes being planned.**
- **COVID-19 precautions maintained to protect staff while ensuring minimal impact on projects and preserving of cash.**

This quarterly activities report and Appendix 5B has been approved for release to the ASX by the Board of Centrex.

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REPORT

1. CORPORATE

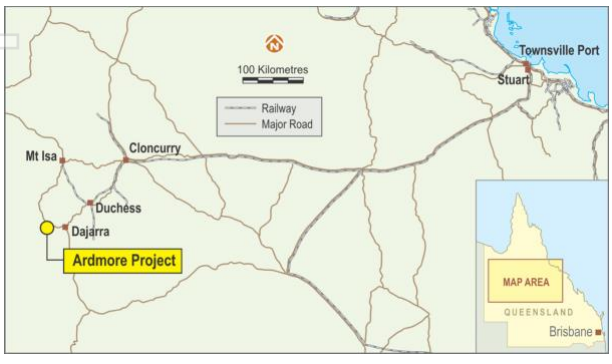
The Company maintained a cash balance of A$1.864 million as at 30 September 2020, a reduction of $0.273 Million from the prior quarter reflecting ongoing administration and general project costs.

Following the end of the quarter the Company announced a non-renounceable 2 for 5 rights issue to raise up to $2.866 million, with 1 free accompanying unlisted option to each new share applied for. The free accompanying options have an exercise price of 5 cents and will expire on 31 December 2023.

The purpose of the issue is to raise funds for the further development of the Company's Ardmore Project and for exploration on the Oxley and Goulburn Projects, as well as for general working capital. Upon closing of the rights issue the Company will have additional funds of up to $2.866 million to progress its planned programs, particularly at Ardmore in Queensland.

2. ARDMORE PHOSPHATE ROCK PROJECT, QLD

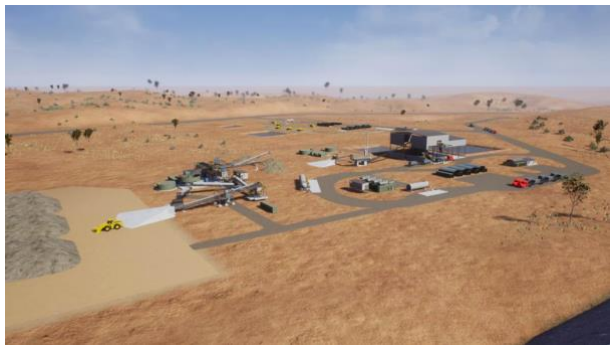
Work continues on the Company's high-grade low impurity Ardmore Phosphate Project, with board approval given (subject to successful capital raisings) for mining commencement in the first half of 2021. The initial phase proposes mining 25,000 tonnes of phosphate rock.



Ardmore location map

Centrex continues to revise the DFS on the Ardmore Phosphate Project to update financial parameters to reflect the effects from the Covid 19 pandemic, which continues to generate uncertainty regarding future phosphate prices, exchange rates and state and country lock-downs and project construction timelines, therefore making forecasting outcomes difficult.

The latest forecast for phosphate rock pricing indicated a CFR India price for 71-75% BPL trending broadly firmer towards the projected Ardmore full production start date of later in 2022.



3D design of Ardmore processing plant and mine services

3. OXLEY POTASSIUM NITRATE FERTLIZER PROJECT, WA

External consultants are reviewing processing and product alternatives, with the aim of refinement of current processes for the Oxley Project.

During the quarter, further rationalization of the Oxley tenements was effected with Board approval to proceed with the full surrender of E70/3777.

4. GOULBURN GOLD-BASE METAL PROJECT, NSW

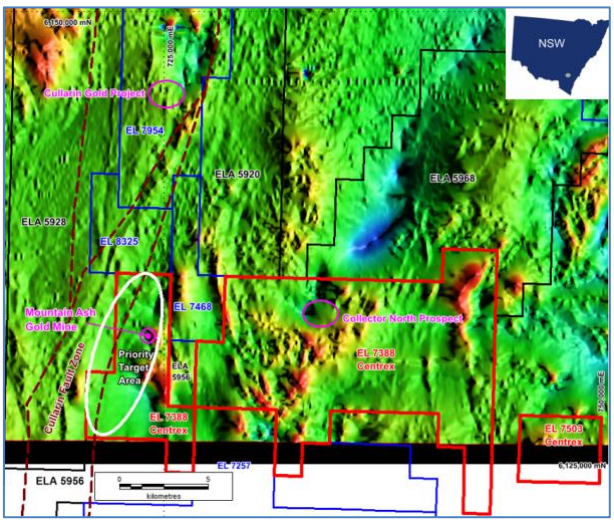
Centrex's two exploration licences EL 7388 Goulburn and EL 7503 Archer located in the east Lachlan Fold Belt are of significant interest for gold and base metals. Previous exploration within these tenements has mainly focussed on base metal mineralisation, but exploration programs are under consideration for the two priority gold targets which have been identified.

The first gold target is located approximately 10 kilometres to the south of the Cullarin Gold Project, identified as proximate to the interpreted Cullarin Fault Zone, a major regional structural corridor that strikes in an approximate NS orientation down the

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western side of EL 7388. This structure and the nearby Mountain Ash Gold Mine (mined in 1908), also located within the western portion of EL 7388, makes it a potentially favourable gold exploration target.

The second gold target is along strike of the Collector North copper and gold prospect discovered by Centrex in 2015. This structurally complex area trends NNE of Collector North and contains both Silurian- aged volcanics and Ordovician-aged sediments thought to be prospective for both epithermal and orogenic styles of gold mineralisation.



Regional TMI image showing Centrex's exploration licences 7388 and 7503 in red with the priority target areas near the Mountain Ash Gold Mine and the Collector North Prospect.

5. TENEMENTS

The Company and its wholly owned subsidiaries hold the following tenements and leases as at 30 September 2020;

Queensland (Phosphate)

Ardmore	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	E70/3777
Oxley	E70/4320

Northern Territory (Phosphate)

ELA	32048

Attached is the Appendix 5B Statement of Cash flows for the period from 1 July 2020 to 30 September 2020.

For further information please contact:

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Centrex Metals Limited
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John Santich
Company Secretary
Centrex Metals Limited
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About Centrex Metals

Centrex Metals is looking to help secure Australasia's sustainable agriculture future through the exploration and development of its wholly-owned Ardmore Phosphate Project and Oxley Potash Project. The products from both of these projects are necessary ingredients for global food production and human nutrition.

The Centrex Metals fertilizer projects are located near to established energy and transport infrastructure that are necessary for access to established agricultural markets. The Company is also continuing its copper-gold-base metal exploration projects near Goulburn in the Lachlan Fold Belt in New South Wales.

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.

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Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Centrex Metals Limited

ABN	Quarter ended ("current quarter")
97 096 298 752	30 September 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation (if expensed)	-	-
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(45)	(45)
	(e) administration and corporate costs	(112)	(112)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	5	5
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	-
1.8	Other (Cash flow boost)	38	38
1.9	**Net cash from / (used in) operating activities**	**(114)**	**(114)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) exploration & evaluation (if capitalised)	(159)	(159)
	(e) investments	-	-
	(f) other non-current assets	-	-

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Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
2.6	**Net cash from / (used in) investing activities**	**(159)**	**(159)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
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	-	-
3.10	**Net cash from / (used in) financing activities**	**-**	**-**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	2,137	2,137
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(114)	(114)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(159)	(159)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Consolidated statement of cash flows		Current quarter $A'000	Year to date (3 months) $A'000
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	**Cash and cash equivalents at end of period**	**1,864**	**1,864**

5.	**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	Current quarter $A'000	Previous quarter $A'000
5.1	Bank balances	513	437
5.2	Call deposits	-	-
5.3	Bank overdrafts		-
5.4	Other – term deposits (maturity within 90 days)	1,024	1,024
5.4	Secured term deposits*	327	327
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**1,864**	**1,864**

* Term Deposits held in relation to secured bank guarantees

6.	**Payments to related parties of the entity and their associates**	Current quarter $A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	29
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

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7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	**Total financing facilities**	-	-

7.5	**Unused financing facilities available at quarter end**	-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.	

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (Item 1.9)	(114)
8.2	Capitalised exploration & evaluation (Item 2.1(d))	(159)
8.3	Total relevant outgoings (Item 8.1 + Item 8.2)	(273)
8.4	Cash and cash equivalents at quarter end (Item 4.6)	1,864
8.5	Unused finance facilities available at quarter end (Item 7.5)	-
8.6	Total available funding (Item 8.4 + Item 8.5)	1,864
8.7	**Estimated quarters of funding available (Item 8.6 divided by Item 8.3)**	6.83

8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:

1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: N/A

2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: N/A

3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: N/A

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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.

Date: 27 October 2020 .....

Authorised by: ..... the Board of the Company .....
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow 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 cash flow 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.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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