CENTREX METALS
LIMITED

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Interim Report

For the Six Months Ending

31st December 2019

Director's Report

For the Six Month's ending 31st December 2019

The Directors present their report together with the consolidated interim financial report of Centrex Metals Limited ("Company") and its controlled entities ("Group"), for the six months ended 31st December 2019 and the auditor's review report thereon.

1 Review of Operations

Outlined below are the operational activities undertaken by the Group to 31st December 2019.

1.1 Ardmore Phosphate Project, QLD

The Ardmore Phosphate Project in North West Queensland is Centrex's flagship development.

A Definitive Feasibility Study ("DFS") has confirmed Ardmore to be a high-quality asset with a relatively low capital requirement, low technical risk and the potential to provide strong returns. Projections of future phosphate prices *(Figure 1)* support the assumptions contained within the DFS.

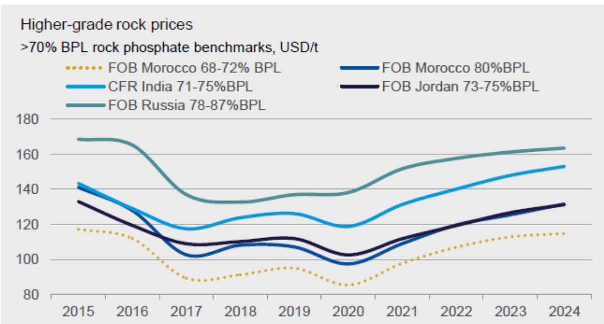
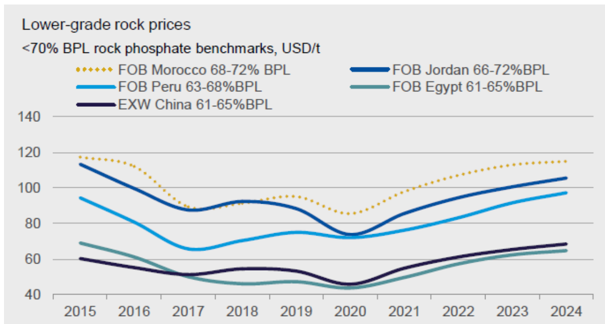


Figure 1: *Medium-term higher grade Phosphate Rock (as proposed to be produced at Ardmore) price outlook (source CRU November 2019)*



CAPTION: *Medium-term lower-grade Phosphate Rock price outlook (source CRU November 2019)*

It is one of the few remaining undeveloped high-grade phosphate rock deposits in the world and is substantially "shovel ready" given the benefits of shallow free-dig mining, simple processing method capable of producing a "clean" premium grade phosphate rock concentrate with ultra-low cadmium levels, access to existing logistics infrastructure and its strategic positioning for supply domestically and throughout Asia-Pacific.

Following the site preparation work conducted in June 2019, construction of the on-site 70 tonne per hour (tph) modular Start-up plant was completed during the period.

The start-up plant has been designed as an oversize module, able to be readily upgraded to a 140tph circuit for the production of rock phosphate concentrate to meet the proposed 800,000 wet tonnes per annum for full scale 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 confirming the premium nature of the Ardmore product, and also to securing long-term offtake purchase agreements to underpin the Ardmore full scale operations.

1.2 Phosphate Exploration, QLD & NT

Centrex is developing a pipeline of phosphate exploration projects in the Georgina Basin around its Ardmore Phosphate Rock mining project.

Two exploration tenements have already been granted in prospective areas for high-grade phosphate deposits in the Northern Territory's Wiso Basin. EL 32082 (Top Springs and E: 32091 (Camfield Station) have been identified as prospective based on uranium anomalies (associated with phosphate mineralization within the Montejinni limestone Formation. A third tenement , ELA 32048 (Lady Judith) also within the Wiso Basin is awaiting approval. 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.

Centrex is particularly focused on exploring for additional deposits near the Ardmore Phosphate Project so as to extend the project's life beyond its already proven resources and to capitalize on its now established relationships with phosphate rock importers and the knowledge developed from Ardmore.

1.3 Oxley Potassium Nitrate Project, WA

Centrex's Oxley Potassium Nitrate Project ("Oxley") is located 125km from the Port of Geraldton in Western Australia. Several options for the development of the Oxley project are being considered, including discussions with strategic partners, a move that will enable the Group to focus its resources on the Ardmore project.

Consolidation of the Oxley tenements has been completed so as to retain the majority of the Oxley resources. Several peripheral tenements were surrendered as follows:

- full surrender of tenements E70/4378, E70/4729 and E70/4004 (early in 2020); and
- partial surrender of E70/3777.

1.4 Goulburn Zinc Project, NSW

No on ground exploration activities were undertaken during the period for the Goulburn Zinc Project ("Goulburn") as the Company focused on its more advanced Ardmore project. Investment options are under investigation for this project.

1.5 Financial Performance

During the period, substantial cost saving measures were implemented while operational capabilities were retained. Significant changes to directors fees were also made, increasing the sustainability of the company going forward.

The Group generated a net loss after tax of $3,369,734 (six months ended 31st December 2018: net loss after tax of $172,437) and holds combined cash and term deposits of $2,491,433 (30th June 2019: combined cash and term deposits of $5,282,630).

2 Directors

The names of the directors in office at any time during or since the end of the half year:

Name and Qualifications	Appointed / Resigned	Position
Mr Graham Chrisp B Tech (CE)	Appointed 21/1/10 Appointed 02/12/19	Non-Executive Director Executive Chairman
Mr Jason Chrisp BA (Acc), DBAC	Appointed 23/07/19	Non-executive Alternate Director to Mr Graham Chrisp
Dr A John Parker BSc (Hons).PhD, DipCompSc, MAIG, MAICD	Appointed 17/12/19	Independent Non-Executive Director
Mr Peter Cox FCA (retired)	Appointed 28/01/20	Independent Non-Executive Director
Mr David Klingberg AO FTSE, D UniSA, B.Tech, FIE Aust, FAus IMM, FAICD, KSJ	Appointed 19/4/05 Resigned 02/12/19 Retired 17/12/19	Chairman (from 19/1/10) Chairman Independent Non-Executive Director
Mr Kiat Poh CDipAF, Dip MS, Dip C.E.	Appointed 21/05/08 Resigned 7/11/19	Independent Non-Executive Director
Mr Jim Hazel B.Ec, SF Fin, FAICD	Appointed 12/7/10 Retired 20/09/19	Independent Non-Executive Director
Mr Chris Indermaur BEng (Mech), GDipEng (Chem), LLB, LLM, GDLP	Appointed 01/07/17 Resigned 28/01/20	Independent Non-Executive Director

3 Other

3.1 Rounding

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 dated 24 March 2016 and in accordance with than Financial Instrument, amounts in the consolidated financial statements have been rounded off to the nearest thousand dollars, unless otherwise stated. All currencies are in Australian dollars unless stated otherwise.

3.2 Subsequent Events

The following material events occurred subsequent to the period end:

- Tenement E70/4004, part of the Oxley Potassium Nitrate Project (WA) was surrendered.
- As announced 26th November 2019, Mr Simon Slesarewich ceased employment with the Group on 26th February 2020.

3.3 Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 18 and forms part of the Directors' Report for the six months ended 31st December 2019.

Signed in accordance with a Resolution of the Board of Directors:

Mr Graham Chrisp
Dated at Adelaide this 12th day of March 2019.

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Six Months ending 31st December 2019

	Note	Six months ending 31 Dec 2019 $'000	Six months ending 31 Dec 2018 $'000
Other income		-	1
Office and administration expenses		(221)	(219)
Consultants and management expenses		(166)	(149)
Directors' fees		(144)	(169)
Employee benefit expenses		(479)	(454)
Depreciation expense		(7)	(11)
Exploration expense	11	(2,343)	(2)
Other expenses		(45)	(45)
Reversal of prior year land impairment		-	724
Results from operating activities		(3,405)	(324)
Finance income		36	151
Finance cost		(1)	-
Net finance income		35	151
Profit / (Loss) before income tax		(3,370)	(173)
Income tax benefit / (expense)		-	-
Profit / (Loss) for the period		(3,370)	(173)
Other comprehensive income		-	-
Total comprehensive income for the period		(3,370)	(173)
Profit / (Loss) attributable to:			
Owners of the Company		(3,370)	(173)
Profit / (Loss) for the period		(3,370)	(173)

Earnings/(loss) per share for loss attributable to the ordinary equity holders of the company:		Cents per share	Cents per share
Basic earnings/(loss) per share	8	(1.0674)	(0.0546)
Diluted earnings/(loss) per share	8	(1.0674)	(0.0546)

The consolidated interim statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Changes in Equity

For the Six Months ending 31st December 2019

	Contributed equity $'000	Share Option reserve $'000	Profit reserve $'000	Accumulated Losses $'000	Total $'000
Current Period					
Balance at 1st July 2019	41,351	2,540	1,005	(12,484)	32,412
Loss for the period	-	-	-	(3,370)	(3,370)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	(3,370)	(3,370)
Contributions from/to equity owners					
Share-based payment transactions	-	68	-	-	68
Balance at 31st December 2019	41,351	2,608	1,005	(15,854)	29,110
Prior Period					
Balance at 1st July 2018	41,330	2,416	1,005	(11,100)	33,651
Loss for the period	-	-	-	(173)	(173)
Other comprehensive income	-	-	-	-	-
Total Comprehensive Income for the Period	-	-	-	(173)	(173)
Contributions from/to equity owners					
Share-based payment transactions	21	51	-	-	72
Balance at 31st December 2018	41,351	2,467	1,005	(11,272)	33,550

The consolidated interim statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Financial Position

As at 31st December 2019

	Note	As at	
		31st Dec 2019 $'000	Restated (1) 30th June 2019 $'000
Assets			
Cash and cash equivalents		976	1,268
Term deposits		1,515	4,015
Receivables and other assets	9	397	136
Total Current Assets		2,888	5,419
Deposits held as security		350	350
Exploration and evaluation expenditure	11	26,391	27,787
Plant and equipment		18	23
Total Non-Current Assets		26,759	28,160
Total assets		29,647	33,579
Liabilities			
Trade and other payables		209	850
Employee benefits		155	199
Total Current Liabilities		364	1,049
Employee benefits		21	19
Provision for rehabilitation		152	99
Total Non-Current Liabilities		173	118
Total Liabilities		537	1,167
Net assets		29,110	32,412
Equity			
Contributed equity		41,351	41,351
Share option reserve		2,608	2,540
Profit reserve		1,005	1,005
Accumulated losses		(15,854)	(12,484)
Total equity		29,110	32,412

(1) The prior period has been restated to show the effect of Plant & Equipment reclassification as detailed in note 11.

The consolidated interim statement of financial position is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Cash Flows

For the Six Months ending 31st December 2019

	Note	Six months ending 31 Dec 2019 $'000	Restated (1) Six months ending 31 Dec 2018 $'000
Cash flows from operating activities			
Payments to suppliers and employees		(1,929)	(1,477)
Research and development tax incentive received		-	116
Net cash (used in) / from operating activities		(1,929)	(1,361)
Cash flows from investing activities			
Expenditure on mining tenements		(1,028)	(3,334)
Interest received		42	194
Acquisition of plant and equipment		(2)	(9)
Customs duty refund		125	-
Cash transferred (to) / from term deposits		2,500	2,707
Net cash (used in) / from investing activities		1,637	(442)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase / (decrease) in cash		(292)	(1,803)
Cash at the beginning of the year		1,268	3,694
Cash at the end of the year		976	1,891

(1) The prior period has been restated to show the effect of Plant & Equipment reclassification as detailed in note 11.

The consolidated interim statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report.

Condensed Notes to the Consolidated Interim Financial Report

For the Six Months ending 31st December 2019

1 REPORTING ENTITY

Centrex Metals Limited (the 'Company') is a company domiciled in Australia. Its registered office is located at Level 6, 44 Waymouth Street Adelaide, SA 5000.

The consolidated interim financial report of the Company as at and for the six months ended 31st December 2019 comprises the Company and its subsidiaries (together referred to as the "Group").

The consolidated annual financial report of the Group as at and for the year ended 30th June 2019 is available at:

https://www.asx.com.au/asxpdf/20190917/pdf/448m4lxfc29m9.pdf

https://www.asx.com.au/asxpdf/20190917/pdf/448m4lxfc29m9.pdf

2 STATEMENT OF COMPLIANCE

The consolidated interim financial report has been prepared in accordance with Australian Accounting Standard *AASB 134 Interim Financial Reporting* and the *Corporations Act 2001* and does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30th June 2019.

This is the first set of the Company's consolidated financial statements where *AASB 16 Leases* has been applied. There was no impact on the amounts disclosed from the transition to this accounting standard.

This consolidated interim financial report was approved by the Board of Directors on 12th March 2020.

3 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in preparing the consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30th June 2019, except as those described below.

The Group has initially adopted AASB 16 *Leases* from 1 July 2019 replacing the existing guidance on leases, including AASB 117. The adoption of AASB 16 has changed the accounting policy for leases as under the new standard all operating lease contracts are recognized on the Group's statement of financial position by recognizing a right of use (ROU) asset and a lease liability, except for short-term and low value leases.

The Group has implemented AASB 16 applying the modified retrospective method, meaning that 2018 comparatives are not restated. On transition to AASB 16 the Group leased its office premises under a short-term arrangement (Note 10). As the Group has elected not to recognize a ROU asset and lease liability for short-term leases the Group has recognized the lease payment for its office lease as an expense on a straight-line basis over the lease term.

4 GOING CONCERN

The Interim financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and realization of assets and the settlement of liabilities in the normal course of business.

The Group has no debt obligations. The Group incurred a loss of $3.370 million, and net cash outflows from operating and project exploration/development activities of $2.834 million, for the half-year ended 31 December 2019. The Group has a net current asset surplus of $2.530 million as at 31 December 2019 which includes cash and term deposits of $2.491 million.

The Group's principal objective is to create value through the discovery and development of mineral resources and as such it does not presently have a source of operating income. To support the planned level of exploration and project development activities of the business, including the continued development of the Ardmore project, the Group is reliant on funds from external sources over the next 12 months and in the future. The Directors reasonably expect that the Group will be able to source sufficient funds as required to meet future costs associated with these planned activities. If required, the Group is able to curtail expenditure such that existing cash reserves will be sufficient to meet the working capital needs for at least the next 12 months.

The Directors are therefore of the opinion that the going concern basis is appropriate.

5 ESTIMATES

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30th June 2019.

6 FINANCIAL RISK MANAGEMENT

The consolidated entity's financial risk management objectives and policies are consistent with those disclosed in the consolidated financial report as at and for the year ended 30th June 2019.

7 SEGMENT REPORTING

The Executive Chairman receives information internally based on the geographical location of the Group's assets. It has been determined that as all of the assets are in one country (Australia), it is appropriate to have one operating segment.

Outlined in note 11 of the Interim Financial Report relating to Exploration and Evaluation Expenditure is the exploration expenditure incurred on all of the Group's exploration projects.

8 EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are as follows:

		Six months ending 31 Dec 2019	Six months ending 31 Dec 2018
Earnings used in calculation of basic EPS: Profit / (Loss) after tax ($'000)		(3,370)	(172)
Weighted average number of ordinary shares for the purpose of basic earnings per share	(i)	315,685,357	315,628,618
Weighted average number of ordinary shares for the purpose of diluted earnings per share	(ii)	315,685,357	315,628,618
Basic earnings/(loss) – cents per share		(1.0674)	(0.0546)
Diluted earnings/(loss) – cents per share		(1.0674)	(0.0546)

(i) Options on issue are considered to be potential shares and are therefore excluded from the weighted average number of ordinary shares used in the calculation of basic earnings per share. Where dilutive, potential ordinary shares are included in the calculation of dilutive earnings per share.

(ii) The calculation of diluted earnings per share does not include weighted potential ordinary shares on issue as to do so would have the effect of reducing the amount of loss per share for the period ending 31st December 2019 (2018: there were no 'in the money' options or rights at period end).

9 RECEIVABLES AND OTHER ASSETS

	As at 31 Dec 2019 $'000	As at 30 Jun 2019 $'000
Interest due on term deposits	8	15
Prepayments and other receivables[1]	382	66
GST receivable	7	55
Balance at end of year	397	136

1. Prepayments predominantly relate to the Group's tenement rents ($191 thousand) and various Group insurance policies ($115 thousand).

10 LEASES

At the end of the reporting period, the Company had an operating lease relating to its Corporate office. The lease terminates at the end of February 2020. From March 2020, the lease will revert to a rolling monthly arrangement which may be terminated by either the Company or the lessor by giving 30 days' notice. The lease amount payable per month is $2.5 thousand.

Upon termination of the lease, the Company has a make-good obligation of $10 thousand, an associated current liability has been reflected in the Company's accounts.

11 EXPLORATION AND EVALUATION EXPENDITURE

During the six months ended 31st December 2019, the Group incurred expenditure with a cost of $947,360 (six months ended 31st December 2018: $3,396,406) on the following exploration projects:

	Restated* Cumulative Capitalised Expenditure to 30th Jun 19	Capitalised expenditure 6 months to 31st Dec 19	Exploration expense 6 months to 31st Dec 19	Cumulative Capitalised Expenditure to 31st Dec 19
	$'000	$'000	$'000	$'000
Ardmore Phosphate	19,113	837**	-	19,950
Northern Territory Phosphate	16	4	-	20
Goulburn Zinc	2,083	22	-	2,105
Oxley Potassium Nitrate	6,575	84	(2,343)***	4,316
Total	27,787	947	(2,343)	26,391

* The company has changed the classification of the trial plant from Plant and Equipment to tangible E&E expenditure as it more clearly represents the direct and integral nature of this trial modular plant to the Ardmore project.
The impact of this reclassification for the 30 June 2019 comparative balance sheet was to move $4,162 thousand of Plant and Equipment directly related to the trial plant to tangible E&E assets. In addition, in the statement of cash flows for the six months ending 31 December 2018, $1,134 thousand were reclassified from acquisition of plant and equipment to expenditure on mining tenements.

** Capitalised expenditure in relation to Ardmore Phospate for the 6 months ending 31 December 2019 is shown net of $125 thousand import duty refund received on the 70tph modular processing plant constructed at Ardmore.

*** Exploration expensed relates to relinquished tenements E70/4004, E70/4378 and E70/4729 in accordance with the Company's accounting policy.

The Mining tenement assets comprise exploration expenditure incurred since acquiring the licences. The expenditure is capitalised on a tenement by tenement ("area of interest") basis.

Mining tenements are recorded at cost. The carrying amount is reviewed regularly by the Directors and is dependent upon the discovery and exploitation of commercially viable mineral deposits, the generation of sufficient income from, or sale of tenements for at least their book value. Depreciation will not be charged until production commences.

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. The Group will assess the assets for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying value amount exceeds the recoverable amount. For the purpose of impairment testing, the assets are allocated to cash-generating units.

The breakdown of cumulative capitalised Exploration and Evaluation expenditure as tangible or intangible is as follows:

Cumulative Capitalised Expenditure to 31st December 2019

	Tangible $'000	Intangible $'000	Total $'000
Ardmore Phosphate[1]	4,104[A]	15,846	19,950
Northern Territory Phosphate	-	20	20
Goulburn Zinc	-	2,105	2,105
Oxley Potassium Nitrate	-	4,316	4,316
Cumulative capitalised Expenditure 31 Dec 2019	4,104	22,287	26,391

(A) $4,104 thousand tangible E&E expenditure capitalized includes $151 thousand rehabilitation liability associated with the Ardmore Phosphate Rock Project (30 June 2019: $99 thousand).

Cumulative Capitalised Expenditure to 30th June 2019

	Tangible $'000	Intangible $'000	Total $'000
Ardmore Phosphate	4,162	14,951	19,113
Northern Territory Phosphate	-	16	16
Goulburn Zinc	-	2,083	2,083
Oxley Potassium Nitrate	-	6,575	6,575
Cumulative capitalised Expenditure 30 Jun 2019	4,162	23,625	27,787

12 CONTINGENT ASSETS

On 22nd March 2018 the Group executed agreements to sell the Wilgerup iron ore project and Kimba Gap iron ore project to SIMEC Mining (formerly Arrium Mining) which is a business of OneSteel Manufacturing Pty Ltd ("OMPL"). OMPL will pay royalty streams to Centrex upon commencement of mining at each project. The royalties are capped to a value of A$ 5 million for each project. The per tonne royalty rates and the royalty caps are both indexed annually to CPI (from 2018). If OMPL has not committed to mining either of the projects by the 10th anniversary of the executed agreement the relevant project will be returned at Centrex's election.

13 CONTINGENT LIABILITIES AND COMMITMENTS

Minimum exploration tenement expenditures

In order to support its right of renewal of tenements (reviewed on a regular basis), the Group is required to meet exploration expenditures as defined at the time of the granting/renewal of the tenements. A summary of these commitments is as follows:

	As at 31 Dec 2019 $'000	As at 31 Dec 2018 $'000
New South Wales Tenements		
Tenements with annual commitments[A]	645	925
West Australian Tenements		
Tenements with annual commitments	262	380
Queensland Tenements		
Tenements with commitments for the current year of the licence	105	247
Tenements with commitments for the remainder of the licence	510	615

A The annual commitments for the New South Wales tenements are an estimate of the work program to which the Group has committed to undertake over the term of the licence. $20,000 relates to a commitment on a tenement expiring April 2022, $625,000 relates to an annual commitment on a tenement expiring August 2023.

Other commitments

At 31st December 2019 the Group has a make-good obligation of $10,000 relating to its leased Corporate office (note 10). A provision for the make good obligation has been made and is recorded as a current liability in the Group's accounts.

Contingent Liability

On 2nd February 2017 the Group executed agreements to purchase the Ardmore phosphate rock project from Southern Cross Fertilisers Pty Ltd ("SCF"), a wholly owned subsidiary of Incitec Pivot Limited. Under the terms of the agreements SCF retain an interest in the project via a 3% gross revenue royalty secured by a registered mortgage over the mining lease (ML 5542). The first ranking security over ML 5542 also secures other monetary and non-monetary obligations associated with the agreements including:

- SCF is entitled to receive 50% of the residual profit of a sale of in excess of a 70% interest in ML 5542 if the transaction takes place within four years from completion (27th June 2017). In such case SCF will forego its 3% gross revenue royalty.
- The Group must pay to SCF a $2 million annual agreement extension fee at the beginning of each year from 27th June 2021 if it has not commenced Mining as defined in the agreements.

SCF have the right to require ML 5542 be returned to them under certain Breach Events as defined in the transaction agreements with consideration payable to the Group being the lesser of tenement costs incurred by the Group, including acquisition costs, and market value.

14 SUBSEQUENT EVENTS

The following material events occurred subsequent to the period end:

- Tenement E70/4004, part of the Oxley Potassium Nitrate Project (WA) was surrendered.
- As announced 26th November, Mr Simon Slesarewich ceased employment with the Group on 26th February 2020.

Directors' Declaration

In the opinion of the Directors of Centrex Metals Limited ('the Company'):

1 the consolidated interim financial statements and notes set out on pages 7 to 17, are in accordance with the *Corporations Act 2001* including:

(i) giving a true and fair view of the financial position of the consolidated entity as at 31st December 2019 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and

(ii) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and

2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a Resolution of the Board of Directors:

Mr Graham Chrisp
Dated at Adelaide this 12th day of March 2020.

KPMG

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Centrex Metals Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Centrex Metals Limited for the half-year ended 31 December 2019 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and

ii. no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Paul Cenko
Partner

Adelaide
12 March 2020

KPMG

Independent Auditor's Review Report

To the shareholders of Centrex Metals Limited

Report on the interim financial report

Conclusion

We have reviewed the accompanying ***Interim Financial Report*** of Centrex Metals Limited and its subsidiaries (the" Group").

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of the Group is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2019 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The Interim Financial Report comprises:

- Consolidated statement of financial position as at 31 December 2019;
- Consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the Half-year ended on that date;
- Notes 1 to 14 comprising a summary of significant accounting policies and other explanatory information; and
- The Directors' Declaration.

The ***Interim Period*** is the six months ended on 31 December 2019.

Responsibilities of the Directors for the Interim Financial Report

The Directors of the Group are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001; and*
- for such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that is free from material misstatement, whether due to fraud or error.

KPMG

Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31st December 2019 and its consolidated performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of the Scheme, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

12 March 2020