CENTREX METALS
LIMITED

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Annual Report 2020

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Executive Chairman's Report

Graham Chrisp
Executive Chairman

On behalf of the Centrex Board, I am pleased to present the Company's Annual Report for financial year 2020.

During the financial year the Company continued to make progress with its Ardmore Phosphate Rock Project near Mount Isa. The Company continues to believe in the Project's ability to deliver attractive returns for shareholders. Under current fund raising plans, the Company is moving forward with preparations for mining at Ardmore which will establish the operation and lead to further marketing potential.

While the Company's focus is on progressing towards development of Ardmore in Queensland, the Company continues to promote its other interesting projects, including the Oxley Potassium Nitrate Project in Western Australia and the Goulburn Base Metal and Gold Project in New South Wales. While work on these projects has been inhibited by the global Covid-19 pandemic, useful progress has been made at Oxley investigating additional processing options and at Goulburn, work was carried out to target areas prospective for gold mineralisation.

During the financial year the Company substantially reduced its outgoings from previous levels of expenditure and the former Chairman, Mr David Klingberg and several directors resigned. I sincerely thank David for his efforts in setting up the Company to be able to move ahead with the Ardmore Phosphate project when project funding becomes available.

Former CEO Mr Simon Slesarewich, with the support of the dedicated Centrex staff, was instrumental in continuing work on the Company's projects and in particular Ardmore and the Board thanks him and the other staff for their diligent service to the Company.

This year has been a very difficult one for the Company and its personnel, as it has been for the Australian community in general. The scale and potential duration of the COVID-19 pandemic and its market consequences are such that the Board has considered it prudent to protect its valuable remaining staff and assets by taking decisive action to preserve cash to enable the Company to be able to act strongly and quickly once the Company raises sufficient finance for its projects.

The Board appreciates the support of its shareholders and looks forward to being in a position to report favourably on progress to shareholders during the coming financial year.

Chief Executive Officer's Report

The Company has several important projects, among them its 100% owned flagship Ardmore Phosphate Rock Project near Mount Isa in Queensland.

ARDMORE PHOSPHATE ROCK PROJECT, QLD

Ardmore is a commercially attractive project with a relatively shallow, high grade, low impurity deposit which, with simple processing through the existing upgrading plant on site, can produce a premium phosphate rock concentrate which is suitable for a number of uses including the manufacture of superphosphate and other chemicals. The Ardmore project is serviced by existing infrastructure (such as road and rail networks) and its proximity to key markets enables a relative freight cost advantage potentially leading to attractive shareholder returns.

The Company continues its work on establishing additional markets for phosphate rock production from Ardmore. The project has been designed to produce 800,000 tonnes per annum of high grade, low impurity rock phosphate predominantly for export. Marketing of the premium phosphate rock product gained good acceptance as a feed for superphosphate production and other uses. Recent work has also indicated there may be substantial potential to supply additional specialty phosphate rock products into local and overseas markets, and technical and market development work is being carried out to ascertain the size and requirements of these markets.

The potential value of these additional markets has not previously been included in the profitability projections for the Ardmore project.

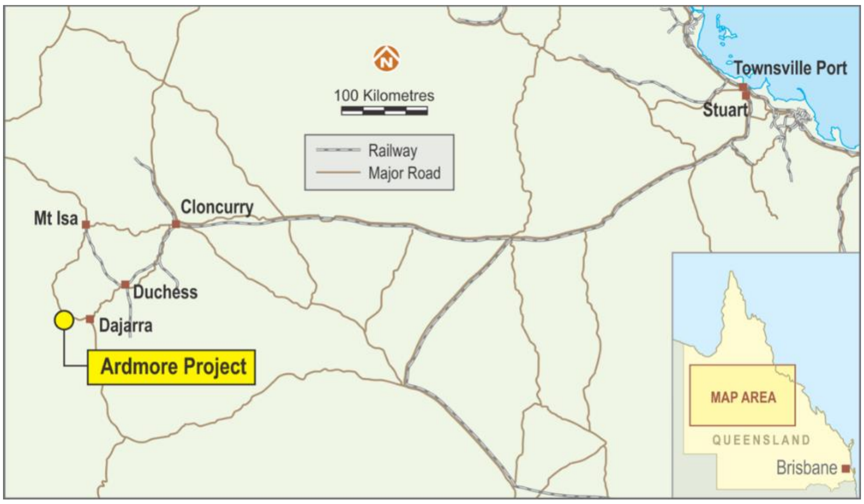
As noted in previous announcements, the Ardmore Definitive Feasibility Study ("DFS") delivered a robust set of numbers that have since been improved upon through optimisation work carried out in February 2019.

As previously announced, Centrex proposes to carry out additional work to update the DFS to account for various changes to the DFS since its release such as product markets and marketability, projected phosphate price going forward, updating of the of production, transport and other relevant factors such as foreign exchange projections.

The Company is now proceeding to implement its plan to mine 25,000 tonnes in the first quarter of 2021. The cost of this program of works is approximately $600,000, and discussions are advancing regarding an interim capital raising for this work.

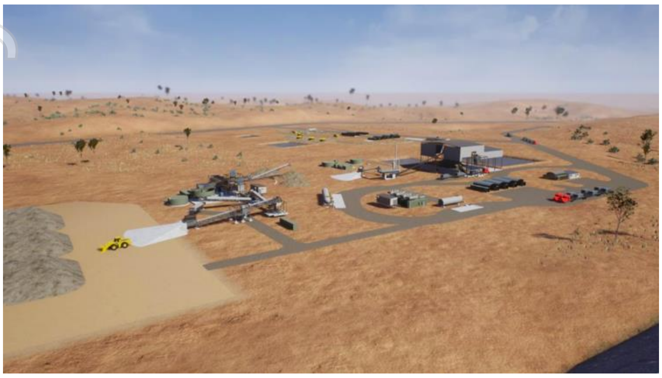
Following the initial mining operation, and as soon as funding becomes available, the Company intends to move as quickly as possible towards development of the full Ardmore Phosphate Project. Discussions continue with funders with the potential to provide all of the substantial capital required. If successful, Centrex would become a producer of high grade low impurity phosphate rock for sale, with additional potential for the sale of as-mined ore and tailings from the processing plant.

Apart from direct uses of the Ardmore phosphate rock, the Company is investigating the potential for commercial quantities of rare earth elements (REE) which are contained in the Ardmore deposit. These rare earths, if extracted would have a value that has not previously been included in economic modelling for the Ardmore project.



Ardmore location map

Recently, the State Government, through the Geological Survey of Queensland has commenced investigations to improve scientific understanding of the REE association with phosphate deposits including Ardmore and supply the geoscience data needed to help locate and define deposits for future production.



3D design of Ardmore processing plant and mine services

Phosphate Market

Traded phosphate rock benchmarks range from 27-34% P_2O_5, and Ardmore's Rock Phosphate concentrate sits above the top end of this range at around 35%. It also contains very low levels of cadmium, a toxic heavy metal that occurs naturally in phosphate rock fertilisers. Cadmium is becoming a major issue for the fertiliser industry worldwide, with the European Union imposing limits on levels contained in imported phosphate rock to protect its constituents from adverse health effects. Taking into account these factors, together with geographic location and political environment, the Company believe that the rock phosphate concentrate to be produced from Ardmore will be attractive to markets in the Asia-Pacific region.

Phosphate rock price forecasts sourced from market research specialist CRU indicate positive real term growth in the global phosphate market going forward, with potential for increasing premiums for high-grade product due to limited supply in the segment.

OXLEY POTASH PROJECT, WA

Work at the Oxley Project, is focussed on a 32km long outcropping lava flow that predominantly comprises of potassium feldspar, with the aim being the production of high value fertiliser. The process technology substantially investigated so far can convert the potassium feldspar to soluble potassium chloride (potash) through roasting with salt, for subsequent water leaching and purification. The potash then reacts with nitric acid to yield potassium nitrate, a high-value horticultural fertiliser.

The Company has engaged experienced mineral processing consultants Mineral Strategies Pty Ltd to investigate refinements of processing options for the Oxley potash project. The Company has also had discussions with interested parties aimed at progressing the Oxley project further while it focuses on bringing the Ardmore Project into production.

GOULBURN GOLD/BASE METALS PROJECT, NSW

The Company continues to evaluate strategic options of the Goulburn gold/base metals project aimed to realise value for shareholders. Due to the Covid-19 pandemic no on-ground exploration was undertaken on the project during the year. Additional work aimed at better understanding the gold results from previous sampling is being carried out on Goulburn. The heightened interest in the gold prospectivity of the Goulburn region is supported by the high-grade gold results achieved by Skye Metals Ltd (ASX:SKY) at its nearby Cullarin project.

Funding

At the date of this report, although negotiations are continuing with numerous parties, additional finance has not been secured in order to substantially progress the Company's projects. We are working diligently with a number of parties to progress discussions on future funding availability in order to progress the projects in the manner warranted. As a result of the current funding uncertainty, the Company has undertaken impairment testing and taken up an impairment of its exploration projects in accordance with Accounting Standards. The Company remains focussed on securing funding to progress its projects as soon as possible with the aim of realising their full potential value for shareholders.

COVID-19 Response

This calendar year has been a difficult one for the Company and its personnel, as it has been for the Australian community in general. The scale and potential duration of the COVID-19 pandemic and its market consequences are such that the Board has considered it wise to take every step necessary to protect its staff and other people associated with its projects, and to take all necessary action to preserve cash to enable the Company to act strongly and decisively once this situation has abated.

I am especially appreciative of the cooperation from the Company's directors and staff in measures to reduce the Company's operating costs until a successful capital raising can be completed and the full development of the Ardmore project is able to commence.

Mr Graham Chrisp

Executive Chairman

Mining Exploration Entity Annual Reporting Requirements

LIST OF TENEMENTS IN WHICH THE GROUP HAS AN INTEREST

TENEMENT LIST			AS AT 30TH JUNE 2020	
Location	Licence number	Description	Held by:	Interest %
Queensland	ML 5542	Ardmore Phosphate Rock Project	CPhos[1]	100
	EPM 26551	Ardmore EPM 26551	CPhos[1]	100
	EPM 26568	Ardmore EPM 26568	CPhos[1]	100
	EPM 26841	Ardmore EPM 26841	CPhos[1]	100
Western Australia	E70/3777	Oxley A	CPot[2]	100
	E70/4318	Oxley C	CPot[2]	100
New South Wales	EL 7388	Goulburn	LM[3]	100
	EL 7503	Archer	LM[3]	100
Northern Territory	ELA 32048	Northern Territory ELA 32048	CQld[4]	Application
	EL 32082[5]	Northern Territory EL 32082	CQld[4]	Application
	EL 32091[5]	Northern Territory EL 32091	CQld[4]	Application

Wholly owned subsidiary of Centrex Metals Limited:

1 Centrex Phosphate Pty Ltd
2 Centrex Potash Pty Ltd
3 Lachlan Metals Pty Ltd
4 Centrex QLD Exploration Pty Ltd
5 EL 32082 and EL 32091 have been relinquished post 30 June 2020

ANNUAL REVIEW OF MINERAL RESOURCES AND ORE RESERVES

The information included in the tables below was prepared in accordance with the JORC Code 2012. The Company confirms that it is not aware of any new information or data that materially affects the information included in the table and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.

POTASSIUM ORE MINERAL RESOURCES BY AREA — AS AT 30TH JUNE 2020

Location	Resource Classification	Tonnage (Mt)	Head Grade	
			K_2O (%)	Cut-off grade K_2O (%)
Oxley Potassium Project	Measured	-	-	-
	Indicated	-	-	-
	Inferred	154.7	8.3	6.0
	Total	**154.7**	**8.3**	**6.0**

PHOSPHATE ORE MINERAL RESOURCES BY AREA — AS AT 30TH JUNE 2020

Location	Resource Classification	Tonnage (Mt)	Head Grade	
			P_2O_5 (%)	Cut-off grade P_2O_5 (%)
Ardmore Phosphate Rock Project	Measured	3.3	29.8	16.0
	Indicated	11.1	27.4	16.0
	Inferred	1.7	26.8	16.0
	Total	**16.2***	**27.8**	**16.0**

* Totals may not add precisely due to rounding.

PHOSPHATE ORE RESERVE ESTIMATE — AS AT 30TH JUNE 2020

Ore Reserve Category	Tonnage (Mt)	P_2O_5 (%)
Probable	7.3	30.2
Proven	2.8	30.3
Total Ore Reserves	**10.1**	**30.2**

COMPARISON OF ANNUAL MINERAL RESERVES AND RESOURCES STATEMENT TO THE PRIOR YEAR

The table below summarises the changes that took place as far as the Group's mineral resources and reserves are concerned. The information contained in this table should be read in conjunction with the detailed resource and reserve information provided above.

Location	Resource or Reserve	Tonnage (Mt)		Notation
		30/6/2019	30/6/2020	
Potassium				
Oxley	Resource	154.7	154.7	No change.
Phosphate				
Ardmore	Resource	16.2	16.2	No change.
Ardmore	Reserve	10.1	10.1	No change.

SUMMARY OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS IN PLACE FOR THE REPORTING OF MINERAL RESOURCES AND ORE RESERVES

Mineral Resources and Ore Reserves are estimated by suitably qualified consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation are then reviewed by suitably qualified Competent Persons from the Company.

All Ore Reserve estimates are prepared in conjunction with feasibility studies which consider all material factors.

The Mineral Resources and Ore Reserves Statements included in the Annual Report are reviewed by suitably qualified Competent Persons from the Company prior to its inclusion.

CROSS REFERENCING OF THE RESOURCES ANNOUNCMENTS

For more detail regarding the Oxley resources please see the announcement of 8th March 2016.

http://www.asx.com.au/asxpdf/20160308/pdf/435nrchjm48mjx.pdf

For more detail regarding the Ardmore resources please see the announcement of 1st June 2018.

https://www.asx.com.au/asxpdf/20180601/pdf/43vgxdjlpsgcwb.pdf

For more detail regarding the Ardmore reserves please see the announcement of 8th October 2018.

https://www.asx.com.au/asxpdf/20181008/pdf/43z1q8nvm95k58.pdf

COMPETENT PERSONS STATEMENT

The information in this report relating to Exploration Results (contained in the CEO's report) is based on information either compiled or reviewed 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 mineralization 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.

The information in this report relating to the Mineral Resources of the Oxley Potassium Project 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 Mineral Resources of the Ardmore Phosphate Rock Project is based on and accurately reflects information compiled by Mr Jeremy Clark of RPM, who is a consultant and adviser to Centrex Metals Limited and who is a Member of the Australian Institute of Geoscientists and AusIMM. Mr Clark has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity 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 Clark 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 that relates to Ore Reserves is based on information compiled by Mr Ben Brown, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Ben Brown is employed by Optima Consulting and Contracting Pty Ltd, an external independent consultancy. Ben Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ben Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Directors' Report

For the Year Ended 30th June 2020

The Directors present their report together with the consolidated financial report of Centrex Metals Limited ("Company") and its controlled entities ("Group"), for the financial year ended 30th June 2020 and the auditor's report thereon.

1. Directors and the Company Secretary

1.1 Directors

The directors in office at any time during or since the end of the financial year are:

Name and Qualifications	Position, Experience and special responsibilities
Mr Graham Chrisp B Tech (CE) Appointed 21/1/10 Chairman since 2/12/19	<u>Executive Chairman</u> Mr Chrisp has a degree in Civil Engineering and has substantial experience in numerous aspects of business operations, including design and construction of roads and other earthworks, mineral exploration and property development. Having previously been an owner and operator of earth moving equipment for mining and civil applications, Mr Chrisp has practical experience with modest scale mining operations, including several of his own developments. He was a founding director of Centrex Metals Limited (having previously served as its Managing Director from 2003 to 2005) and has numerous private interests. Mr Chrisp is a director of Dapop Pty Ltd, trustee of the Chrisp CXM Family Trust, which is the largest shareholder in the Company. Accordingly, Mr Chrisp is not considered to be "independent" for the purposes of the Company's corporate governance policies. Mr Chrisp is a member of the Company's Remuneration and Nomination Committee and Audit and Risk Committee.
Mr Jason Chrisp BA(Acc), DBAC Appointed 23/7/19	<u>Non-executive Alternate Director to Mr Graham Chrisp</u> Mr Jason Chrisp has experience based on a background in accountancy and numerous aspects of business from working in the mineral exploration and land development fields for over 10 years. He is also proficient in computing, analysis and project management. Mr Chrisp has previously served on the board of ASX-listed company Outback Metals Ltd and is also a private company director. Mr Chrisp is a director of Dapop Pty Ltd, trustee of the Chrisp CXM Family Trust which is the largest shareholder in the Company. Accordingly, Mr Chrisp is not considered to be "independent" for the purposes of the Company's corporate governance policies.
Mr Ben Chrisp Appointed 22/9/20	<u>Non-executive Alternate Director to Mr Graham Chrisp</u> Mr Ben Chrisp is completing a degree in accounting and finance and has worked in the mineral exploration and land development fields for over 10 years. He is experienced in finance, computing and project management. Mr Chrisp has previously served on the board of ASX-listed company Outback Metals Ltd and is also a private company director. Mr Chrisp is a director of Dapop Pty Ltd, trustee of the Chrisp CXM Family Trust, which is the largest shareholder in the Company. Accordingly, Mr Ben Chrisp is not considered to be "independent" for the purposes of the Company's corporate governance policies.
Dr A John Parker BSc (Hons).PhD, DipCompSc, MAIG, MAICD Appointed 17/12/19	<u>Independent Non-Executive Director</u> Dr Parker is a geologist, geophysicist and manager with extensive local and international experience and knowledge of the geology, mineral deposits and mineralizing systems in the Precambrian. He was formerly Chief Geologist with the mapping branch of the South Australian Geological Survey and responsible for the mapping and publication of geological maps throughout South Australia. In the late 1980's he initiated the first geological mapping GIS in Australia, a system that has subsequently been developed to become the global leading GIS, SARIG. Mr Parker is a member of the Company's Remuneration and Nomination Committee and the Audit and Risk Management Committee.
Mr Peter Cox	<u>Independent Non-Executive Director</u>

FCA (retired) Appointed 28/1/20	Mr Cox has previously been Director and Secretary of ASX-listed company Lincoln Minerals Limited (2007- 2012), Chairman of Wireless Communications Pty Ltd (2004 – 2016) and Chairman of ASX-listed MIKOH Corporation Limited (2003-2005). In addition he has provided secretarial services to a number of ASX listed companies. He was a Fellow of the Institute of Chartered Accountants in Australia until his retirement in 2014 and brings to the Company extensive accounting and governance experience. Mr Cox is a member of the Company's Audit and Risk Management Committee and the Remuneration and Nomination Committee.
Mr David Klingberg AO FTSE, D UniSA, B.Tech, FIE Aust, FAus IMM, FAICD, KGSJ Appointed 19/4/05 Chairman since 15/1/10 Resigned (Chairman) 2/12/19 Retired 17/12/19	<u>Independent Non-Executive Chairman</u> - (Appointed 15/1/10, Resigned 2/12/19) <u>Independent Non-Executive Director</u> - (Appointed 2/12/19, Retired 17/12/19) Mr Klingberg retired during the year.
Mr Kiat Poh CDipAF, GDip MS, Dip CE Appointed 21/5/08 Resigned 7/11/19	<u>Independent Non-Executive Director</u> Mr Poh resigned during the year.
Mr Jim Hazel BEc, SF Fin, FAICD Appointed 12/7/10 Retired 20/9/19	<u>Independent Non-Executive Director</u> Mr Hazel retired during the year.
Mr Chris Indermaur BEng (Mech), GDipEng (Chem), LLB, LLM, GDLP Appointed 1/7/17 Resigned 28/1/20	<u>Independent Non-Executive Director</u> Mr Indermaur resigned during the year

1.2 Company Secretaries

Company Secretaries

Dr John Santich, BE, MEngSc, PhD, DipLaw, MSocSc, was appointed as Company Secretary on 31 March 2020. Dr Santich is a corporate lawyer and engineer with broad corporate legal, company director and company secretarial experience.

The outgoing Company Secretary, Ms Christine Manual, was appointed Company Secretary on 10 May 2019 and ceased her engagement on 31 March 2020.

2. Executives considered to be Key Management Personnel

The executives considered to be Key Management Personnel in office at any time during or since the end of the financial year are:

Mr Alastair Watts, General Manager, Exploration

BSc(Geo), DipBs(Front Line Management), MAusIMM

Mr Alastair Watts, appointed 15th March 2007, is a geologist with over 25 years' experience in exploration, mining and project development. He has extensive gold, iron ore and phosphate mining experience as well as a successful history of mineral discovery and development. The technical expertise gained at the Phosphate Hill mine provided significant exposure to the fertiliser market to complement Centrex's development of the Ardmore Phosphate Rock Project. A broad technical knowledge of exploration has been gained from base metal and gold projects in the Lachlan Fold Belt of New South Wales, the eastern goldfields of Western Australia, the Drummond Basin in north Queensland and nickel laterite deposits in Indonesia. He has held previous positions in both major resources houses, and mid-tier and junior operators. His roles have spanned mining, quality control and project management.

Mr Gérard Bosch, Manager Approvals & Stakeholder Relations

Bsc(Geol)(Hons), FAusIMM

Mr Gérard Bosch was appointed to the role on 27th February 2018. Mr Bosch is a geologist with over 37 years working in Australian mineral exploration, discovery and development. He has held previous positions in BP Minerals, North Flinders Mines, Normandy Mining, Australian Zircon and Eyre Iron. Mr Bosch has particular experience in the pre-development phase of mining operations, including statutory approvals and land access, and has broad experience in the management of exploration.

Mr Simon Slesarewich, Chief Executive Officer ("CEO")

Mr Slesarewich was appointed to CEO on 3rd April 2019 and ceased employment on 26th February 2020.

Mr Mark Terry, Chief Financial Officer ("CFO")

Mr Terry was appointed on 27th August 2018 and ceased employment on 10th December 2019.

Mr Steve Klose, General Manager, Projects

Mr Steve Klose was appointed on 12th August 2016 and ceased employment on 17th January 2020.

3. Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Group during the year ended 30th June 2020 was:

	Board Meetings *		Audit and Risk Management Committee Meetings		Remuneration and Nomination Committee	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Mr G Chrisp	11	11	-	-	1	1
Dr John Parker	6	6	1	1	-	-
Mr Peter Cox	5	5	1	1	-	-
Mr D Klingberg AO	6	6	1	1	1	1
Mr K Poh	6	6	1	1	1	1
Mr J Hazel	3	3	1	1	-	-
Mr C Indermaur	7	7	-	-	1	1

4. Corporate Governance Statement

The Board is committed to the principles underpinning best practice in corporate governance. The Company must comply with the ASX Listing Rules which require it to report annually on the extent to which it complied with the Corporate Governance Principles and Recommendations 3rd Edition ("Principles") as published by the ASX Corporate Governance Council. The Board believes that the Company has complied with the Principles for the current reporting period unless otherwise stated in the Appendix 4G and Corporate Governance Statement which is lodged on the Company announcements platform at the same time as the annual report.

A description of the Company's main corporate governance practices are available on the Company's website located at:

http://centrexmetals.com.au/governance/

5. Remuneration Report - audited

5.1 Principles of compensation

The remuneration report provides details of the remuneration of the Company's directors and the senior executives identified as those who had authority for planning, directing and controlling the Company's activities during the reporting period ("Key Management Personnel").

Total remuneration packages for the executives of the Group are competitively set to attract and retain appropriately qualified and experienced people. The Remuneration and Nomination Committee assists the Board in setting remuneration strategy.

Executive and Non-Executive Directors

Total compensation for all Non-Executive Directors, pursuant to the constitution must not exceed $500,000 per annum. Fees were set by incorporating significant discount with reference to standard practice by comparator companies.

For the year ended 30th June 2020, (up until 16th December 2019), the Non-Executive Directors' compensation comprised Directors' base fees of $81,000 per annum (2019: $81,000 per annum) for the Chairman and $49,500 per annum (2019: $49,500 per annum) for the other Non-Executive Directors. In addition, $9,000 per annum (2019: $9,000 per annum) was paid for membership of the Audit and Risk Management Committee, with an additional $2,250 per annum (2019: $2,250 per annum) for the Chairman of the Audit and Risk Management Committee.

From 17th December 2019, Directors' compensation was revised and comprised $35,000 per annum for each Director, with no additional fees to be paid for Board Committee or Chairman responsibilities.

Superannuation is paid on behalf of the Non-Executive Directors at the rate of 9.5% per annum as is legislated. Where the Company engages a director as a consultant the value of superannuation benefits that would otherwise have been payable are paid as additional fees.

CEO and Company executives

Remuneration packages for the CEO and other Company executives previously included a mix of fixed and variable compensation, the variable compensation using short and long term incentives. The remuneration packages previously took into account market practice of comparable organisations within the industry and reflect capability, role and experience of each executive.

The fixed remuneration component (cash, superannuation and fringe benefits) was previously set by utilising industry surveys with particular reference to the practices of companies in the lowest quartile of the survey (i.e. those with a similar market capitalisation and with a similar sized workforce). Total remuneration (base salary packages and variable remuneration) previously provided the opportunity for executives to reach compensation levels in the next quartile as outlined within the industry surveys through the following variable awards:

- the Short Term Incentive ("STI") Plan, which awards a cash bonus of between 0% and 20% of fixed remuneration subject to individual and Company targets being met; and
- the Long Term Incentive ("LTI") Plan, under which the executive may be granted incentive rights, some of which vest after an extended period of continuous employment (Retention Rights), the others vesting after an assessment of performance (Performance Rights).

For the 2020 financial year there were no awards made under the STI plan. Details of the awards of rights issued under the LTI plan are listed at the conclusion of this Remuneration Report.

Mr Simon Slesarewich, CEO

Mr Slesarewich was appointed CEO on 3rd April 2019. Mr Slesarewich ceased employment from the Company 26th February 2020. His total annual fixed remuneration was $350,000 and for the 2020 financial year (pro-rata) it was $240,615 (2019: $85,253).

Mr Mark Terry, CFO

Mr Terry was appointed CFO on 27th August 2018 and ceased employment from the Company on 10th December 2019. His total annual fixed remuneration was $300,000 and for the 2020 financial year (pro-rata) it was $133,076 (2019: $255,770).

Other executives considered to be Key Management Personnel

In addition to the Non-Executive Directors and executives listed above, the following persons are considered to be Key Management Personnel of the Group:

Mr Alastair Watts	General Manager Exploration
Mr Steve Klose	General Manager Projects
Mr Gérard Bosch	Manager Approvals & Stakeholder Relations

Mr Steve Klose ceased employment on 17th January 2020.

Service Agreements

The Company has service contracts with each executive listed above. Each contract is for an unlimited term and can be terminated by either party by giving up to three months' written notice (except for Mr Gérard Bosch, whereby either party must give four weeks written notice). The Company reserves the right to terminate the contract without notice in the event of misconduct or dishonesty.

Each existing executive has agreed with the Company to be remunerated at a lesser rate due to disruption caused by the Covid-19 pandemic. The Company expresses significant gratitude to the executives for their cooperation in assisting towards the long term viability of Centrex.

Remuneration of Key Management Personnel (KMP) (Consolidated)

Details of the nature and amount of each major element of remuneration of each of the KMP are:

			Short-term			
			Salary & fees	STI cash bonus (1)	Non-monetary benefits	Annual leave (2)
			$	$	$	$
Directors						
Mr G Chrisp	Executive Chairman	2020	45,305	-	-	-
		2019	49,500	-	-	-
Mr A J Parker (5)	Non-exec	2020	18,911	-	-	-
		2019	-	-	-	-
Mr P Cox (6)	Non-exec	2020	14,866	-	-	-
		2019	-	-	-	-
Mr D Klingberg (7)	Non-exec	2020	43,990	-	-	-
		2019	98,550	-	-	-
Mr B Hammond	Managing Director	2020	-	-	-	-
	& CEO	2019	298,171	-	4,328	(46,727)
Mr J Hazel (8)	Non-exec	2020	15,188	-	-	-
		2019	60,750	-	-	-
Mr K Poh (9)	Non-exec	2020	25,979	-	-	-
		2019	64,058	-	-	-
Mr C Indermaur (10)	Non-exec	2020	32,715	-	-	-
		2019	73,052	-	-	-
Total compensation: Directors		2020	196,954	-	-	-
		2019	644,081	-	4,328	(46,727)
Executives						
Mr A Watts	GM Exploration	2020	245,608	-	5,068	(30,238)
		2019	260,500	-	5,068	(23,757)
Mr Gerard Bosch	Mgr. Approvals	2020	159,088	-	4,880	1,499
		2019	183,600	-	5,194	3,011
Mr S Slesarewich (11)	CEO	2020	219,740	-	-	(2,760)
		2019	83,792	-	-	2,830
Mr M Terry (12)	CFO	2020	121,531	-	-	(21,523)
		2019	235,749	-	-	22,071
Mr S Klose (13)	GM Projects	2020	158,524	-	2.836	(22,895)
		2019	255,307	-	5,194	11.122
Mr Gavin Bosch	CFO	2020	-	-	-	-
		2019	52,298	-	-	(38,363)
Total compensation: executives		2020	904,491	-	12,784	(75,917)
		2019	1,071,246	-	15,456	(23,086)
Total compensation: KMP		2020	1,101,445	-	12,784	(75,917)
		2019	1,715,327	-	19,784	(69,813)

(1) STI represents the amount of the STI or bonus that will be paid to the executive for performance for the relevant financial year.
(2) In accordance with the requirements of the Accounting Standards, remuneration includes the movement in accrued annual leave for the period.
(3) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity linked compensation determined as at the grant date and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that the senior executives may ultimately realise should the equity instruments vest.

	Super-annuation benefits	Share-based payments (3)	Termination	Other long term benefits (4)	Total	Performance related	Options / Rights related
	$	$	$	$	$	%	%
	4,304	-	-	-	49,609	0.0	0.0
	4,702	-	-	-	54,202	0.0	0.0
	1,797	-	-	-	20,708	0.0	0.0
	-	-	-	-	-	0.0	0.0
	1,412	-	-	-	16,278	0.0	0.0
	-	-	-	-	-	0.0	0.0
	-	-	-	-	43,990	0.0	0.0
	-	-	-	-	98,550	0.0	0.0
	-	-	-	-	-	0.0	0.0
	25,000	34,656	-	(110,621)	204,807	0.0	16.9
	1,443	-	-	-	16,631	0.0	0.0
	5,771	-	-	-	66,521	0.0	0.0
	-	-	-	-	25,979	0.0	0.0
	-	-	-	-	64,058	0.0	0.0
	-	-	-	-	32,715	0.0	0.0
	-	-	-	-	73,052	0.0	0.0
	8,956	-	-	-	205,910		
	35,743	34,656	-	(110,621)	561,190		
	20,623	11,584	-	(42,863)	209,782	0.0	5.5
	24,747	16,826	-	9,397	292,781	0.0	5.7
	15,113	11,584	-	6,449	198,613	0.0	5.8
	17,442	16,826	-	2,935	229,008	0.0	7.3
	20,875	47,604	-	-	285,459	0.0	16.7
	1,461	17,382	-	296	105,761	0.0	16.4
	11,545	29,584	57,692	-	198,829	0.0	14.9
	20,021	42,171	-	871	320,883	0.0	13.1
	15,060	7,276	-	-	160,801	0.0	4.5
	24,254	16,826	-	8,373	321,076	0.0	5.2
	-	-	-	-	-	0.0	0.0
	4,968	-	-	(61,108)	(42,205)	0.0	0.0
	83,216	107,632	57,692	(36,414)	1,053,484		
	92,893	110,031	-	(39,236)	1,227,304		
	92,172	107,632	57,692	(36,414)	1,259,394		
	128,366	144,687	-	(149,857)	1,788,494		

(4) Other long term benefits represents the movement in the senior executive's long service leave entitlements measured as the present value of the estimated future cash outflows to be made in respect of the senior executive's service between the respective reporting dates.
(5) Mr A John Parker was appointed as a director on 17th December 2019.
(6) Mr Peter Cox was appointed as a director on 28th January 2020.
(7) Mr David Klingberg resigned as Chairman on 2nd December 2019 and retired as a director on 17th December 2019.

(8) Mr Jim Hazel retired as a director on 20th September 2019.
(9) Mr Kiat Poh resigned as a director on7th November 2019.
(10) Mr Chris Inermmaur resigned as a director on 28th January 2020.
(11) Mr Simon Slesarewich's employment with the Company ceased on 26th February 2020.
(12) Mr Mark Terry's employment with the Company ceased on 10th December 2019.
(13) Mr Steve Klose's employment with the Company ceased on 17th January 2020.

5. Remuneration Report – audited (continued)

Consequences of performance on shareholder wealth

Any variable components of the Company's executives' remuneration (the short and long term incentives) seek to encourage alignment of management performance and shareholders' interests by linking remuneration to performance of the Company as a whole.

Any award of any short term or long term incentive is always at the discretion of the Board which will also take into account the following indices when assessing performance, although the Board acknowledges that as an exploration company the use of such indices does not fully reflect Company performance.

	2020	2019	2018	2017	2016
Profit / (loss) attributable to owners of the company	(19,820,532)	(1,384,316)	(1,139,938)	488,828	(4,987,053)
Dividends paid (per share)	-	-	-	-	-
Share price at 30 June	$0.03	$0.11	$0.10	$0.06	$0.06

Short Term Incentive – Cash Bonus

Any STI Plan ordinarily involves the setting of key performance indicators (KPI) which must be achieved to be awarded the short term incentive (cash bonus). These relate to overall Company performance and individual performance set by the Board for the relevant period.

During the period the Company set KPIs for the MD and CEO, linked to the achievement of Company performance hurdles. No performance bonus is payable for the reporting period.

Long Term Incentive – Equity based

Any LTI Plan is intended to reward efforts and results that promote long term growth in shareholder value. The KPI which must be achieved for the vesting of Company executives' Performance Rights is the growth in the Company's share price.

The other component of the LTI Pan is the grant of Retention Rights. Retention Rights vest on the completion of a period of service with the Company. The purpose of granting Retention Rights is to retain executives who over the time of their employment accumulate significant intellectual property of value to the Company, and to ensure the continuity of that knowledge and in turn promote a stable and efficient executive team.

Rights

The Company did not issue any rights to directors and KMP during the year:

6. Principal Activity

The principal activity of the Group during the reporting year was exploration on the following areas:

- Phosphate project development in Queensland;
- Potash exploration in Western Australia; and
- Base metals exploration in New South Wales.

7. Operating and Financial Review

A review of the operations of the Group during the year and the results of those operations are as follows:

The net profit / (loss) for the reporting year, after providing for income tax was:

	2020 $	2019 $
Net profit / (loss) after income tax	(19,820,532)	(1,384,316)

The Group incurred expenditure of $1,352,302 (2019: $4,069,764) on mineral tenements during the year. Further details can be found in Note 6 to the financial statements.

The ability of the Company to raise funds has been severely impacted by the COVID-19 situation. As a result, progress on projects and scheduling of works has been delayed. The Company has also taken other measures to conserve its cash position as a direct result of COVID-19 including reducing staff working hours and facilitating work from home arrangements.

Further information on the Group's operating activities can be found in the CEO's Report.

8. Dividends

No dividends were declared during the year.

9. Events subsequent to year end

No material events occurred subsequent to the end of the financial year.

10. Likely Developments

The mineral tenements with an interest held by the Group and available for mineral exploration have the following expenditure covenants to maintain exploration rights:

Tenement	Held by	Ownership	Covenant ($'000)	Period	Expiry
New South Wales					
Goulburn EL7388	LM(i)	100%	625*	Annual	20th Aug 2023
Archer EL7503	LM(i)	100%	50*	Annual	7th Apr 2022
Western Australia					
Oxley A E70/3777	CPot(ii)	100%	72	Annual	29th Dec 2020
Oxley C E70/4318	CPot(ii)	100%	70	Annual	13th May 2022
Queensland					
Ardmore EPM 26551	CPhos(iii)	100%	5	Annual	24th Nov 2022
Ardmore EPM 26568	CPhos(iii)	100%	3	Annual	29th Jan 2023
Ardmore EPM 26841	CPhos(iii)	100%	97	Annual	29th Oct 2023
Northern Territory					
EL 32082	CQld (iv)	100%	53	Annual	22nd Aug 2025
EL 32091	CQld (iv)	100%	21	Annual	22nd Aug 2025

(i) Lachlan Metals Pty Ltd ("LM")
(ii) Centrex Potash Pty Ltd ("CPot")
(iii) Centrex Phosphate Pty Ltd ("CPhos")
(iv) Centrex QLD Exploration Pty Ltd ("CQld") – tenements have been relinquished post 30th June 2020
* 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.

The Directors have assessed the status of all of the Group's tenements and believe all tenements have sufficient remaining mineral potential to warrant continued exploration. It is noted however, that substantial advancement of the projects is subject to sufficient finance being raised and because sufficient funding has not yet been arranged the Company has taken up an impairment on its Ardmore, Oxley and Goulburn exploration assets on a fair value less cost to sell basis.

11. Directors' Interests in Shares, Options and Rights

The relevant interest of each Director in the shares or options over such instruments issued by the Company and other related bodies corporate, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

Name	Shares	Retention Rights		Performance Rights	
		Number	Price/Exp.	Number	Price/Exp.
Dapop Pty Ltd <The Chrisp CXM A/C> (a company associated with Mr Graham Chrisp and Mr Jason Chrisp)	110,905,672	-	-	-	-
Dr A J Parker	-	-	-	-	-
Mr Peter Cox	-	-	-	-	-
Patna Properties Pty Ltd (a company associated with Mr David Klingberg AO)[1]	2,042,810	-	-	-	-
Mr Kiat Poh[2]	2,618,880	-	-	-	-
Candle Grove Pty Ltd (a company associated with Mr Jim Hazel)[3]	246,985	-	-	-	-
Mr Chris Indermaur[4]	-	-	-	-	-

1 Patna Properties Pty Ltd is a company associated with Mr David Klingberg AO who retired effective 17 December 2019.
2 Mr Kiat Poh resigned effective 7 November 2019.
3 Candle Grove Pty Ltd is a company associated with Mr Jim Hazel who retired 20 September 2019.
4 Mr Chris Indermaur resigned effective 28th January 2020.

Other than transactions as detailed in Note 13 to the financial statements, no director has received or become entitled to receive, during or since the end of the reporting year, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or a Company in which a director has a substantial financial interest.

12. Share Rights

Rights granted to Directors and Executives of the Group

The Company did not grant any options or rights over shares since 30 June 2020. Details of rights granted during the year, in addition to rights vested, exercised or lapsed, are detailed in Note 13 to the financial statements.

Unissued shares under rights

At the date of this report the unissued ordinary shares of the Company under unlisted rights are as follows:

Timing	Amount paid on each share	No. of unissued shares under rights
No. of unissued shares at 30th Jun 2019	-	5,775,906
New rights issued during the 12 months ending 30th Jun 2019	-	-
Options / rights converted to shares during the period	-	-
Expired options / rights during the period	-	(4,465,906)
No. of unissued shares under unlisted rights at 30th Jun 2020	**-**	**1,310,000**
New rights issued since 30th Jun 2020	-	-
Options / rights converted to shares since 30th Jun 2020	-	-
Expired options / rights since 30th Jun 2020	-	(1,310,000)
No. of unissued shares under unlisted rights at report date	**-**	**-**

13. Indemnification and insurance of Directors and Officers

Directors' and Officers' Liability Insurance has been secured to insure the Directors, officers and senior executives of the Group to the extent permitted by the Corporations Act 2001. The officers of the Company and the Group covered by the insurance policy include any person acting in the course of duties for the Company or the Group who is or was a Director, secretary or senior executive. The contract of insurance prohibits the disclosure of the nature of the insurance covered and the amount of the premium.

The Company's constitution provides that the Company indemnifies every person who is or has been an officer of the Company for any liability (other than for legal costs) incurred by that person as an officer of the Company and any subsidiary of the Company. The Company has entered into deeds of access, insurance and indemnity with the current Directors of the Company. The agreements indemnify the Directors to the extent permitted by law against certain liabilities and legal costs incurred by the Directors; require the Company to maintain and pay Directors' and Officers' Liability Insurance in respect of the Director; and provide the Director with access to board papers and other documents.

14. Environmental Regulation and Performance

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the period under review the majority of work carried out was on Ardmore Phosphate Rock Project in NW Queensland and the Group followed procedures and pursued objectives in line with requirements published by the relevant regulators including the Department of Environment and Science, the Department of Natural Resources, Mines and Energy and the Department of Aboriginal and Torres Strait Islander Partnerships.

The requirements from the relevant government departments are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable. The Group and its partner companies have individuals with detailed job responsibilities in this area.

The Board is not aware of any significant environmental breaches during the period covered by this report.

15. Non-audit services

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

Details of the amounts paid or accrued to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below.

	2020 $	2019 $
Audit Services	46,575	56,407
Other services	11,321	28,541
Auditors of the company - KPMG	57,896	84,948

16. 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 that Financial Instrument, amounts in the consolidated financial statements and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated. All currencies are in Australian dollars unless stated otherwise.

17. Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 25 and forms part of the Directors' Report for the financial year ended 30th June 2020.

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

Mr Graham Chrisp
Executive Chairman

Dated at Adelaide this 30th day of September 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 audit of Centrex Metals Limited for the financial year ended 30 June 2020 there have been:

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

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

KPMG

KPMG

Paul Cenko
Partner

Adelaide

30 September 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 30th June 2020

	Note	2020 $'000	2019 $'000
Other income	2	59	43
Office and administration expenses		(388)	(475)
Consultants and management expenses		(260)	(425)
Directors' fees		(197)	(347)
Employee benefit expenses	2	(550)	(1,020)
Exploration expenditure written off	6	(18,466)	-
Depreciation expense	7	(14)	(20)
Reversal of previous land impairment		-	724
Other expenses		(53)	(99)
Results from operating activities		(19,869)	(1,619)
Finance income	2	50	235
Finance costs		(2)	-
Net finance income		48	235
Loss before income tax		(19,821)	(1,384)
Income tax benefit		-	-
Loss for the period		(19,821)	(1,384)
Other comprehensive income		-	-
Total comprehensive loss for the period		(19,821)	(1,384)
Loss attributable to:			
Owners of the Company		(19,821)	(1,384)
Loss for the period		(19,821)	(1,384)

Earnings per share for loss attributable to the ordinary equity holders of the company:		Cents per share	Cents per share
Basic earnings / (loss) per share	5	(6.28)	(0.44)
Diluted earnings / (loss) per share	5	(6.28)	(0.44)

The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Changes in Equity

For the Year ended 30th June 2020

	Contributed equity $'000	Share Option reserve $'000	Profit reserve $'000	Accumulated Losses $'000	Total $'000
Current Period					
Balance at 30th June 2019	41,351	2,540	1,005	(12,484)	32,412
Loss for the period	-	-	-	(19,821)	(19,821)
Total Comprehensive Income for the Period	-	-	-	(19,821)	(19,821)
Contributions from/to equity owners					
Share-based payment transactions	-	108	-	-	108
Balance at 30th June 2020	**41,351**	**2,648**	**1,005**	**(32,305)**	**12,699**
Prior Period					
Balance at 30th June 2018	41,330	2,416	1,005	(11,100)	33,651
Loss for the period	-	-	-	(1,384)	(1,384)
Total Comprehensive Income for the Period	-	-	-	(1,384)	(1,384)
Contributions from/to equity owners					
Share-based payment transactions	21	124	-	-	145
Balance at 30th June 2019	**41,351**	**2,540**	**1,005**	**(12,484)**	**32,412**

The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Financial Position

As at 30th June 2020

	Note	As at	
		30th June 2020 $'000	Restated (1) 30 June 2019 $'000
Assets			
Cash and cash equivalents		437	1,268
Term deposits		1,377	4,015
Receivables and other assets		187	136
Total Current Assets		2,001	5,419
Deposits held as security	8	323	350
Exploration and evaluation expenditure	6	10,674	27,787
Plant and equipment	7	12	23
Total Non-Current Assets		11,009	28,160
Total assets		13,010	33,579
Liabilities			
Trade and other payables		72	850
Employee benefits		78	199
Total Current Liabilities		150	1,049
Employee benefits		11	19
Provision for rehabilitation		151	99
Total Non-Current Liabilities		162	118
Total Liabilities		312	1,167
Net assets		12,699	32,412
Equity			
Contributed equity		41,351	41,351
Share option reserve		2,648	2,540
Profit reserve		1,005	1,005
Accumulated losses		(32,305)	(12,484)
Total equity		12,699	32,412

(1) The prior period has been restated to show the effect of Plant & Equipment reclassification as detailed in Note 6.

The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial report.

Consolidated Statement of Cash Flows

For the Year ended 30th June 2020

	Note	2020 $'000	Restated (1) 12 months ending 30 June 2019 $'000
Cash flows from operating activities			
Other income received		50	12
Payments to suppliers and employees		(2,313)	(2,186)
Research and development tax incentive received		-	116
Net cash used in operating activities	16(b)	(2,263)	(2,058)
Cash flows from investing activities			
Expenditure on mining tenements		(1,302)	(8,258)
Interest received		63	297
Acquisition of property plant and equipment	7	(3)	(15)
Proceeds on disposal of assets		9	1,350
Other		-	35
Cash transferred (to) / from term deposits		2,638	6,383
Cash transferred (to) / from security deposits		27	(160)
Net cash used in / (from) investing activities		1,432	(368)
Cash flows from financing activities			
Net cash from financing activities		-	-
Net increase / (decrease) in cash		(831)	(2,426)
Cash at the beginning of the year		1,268	3,694
Cash at the end of the year		437	1,268

(1) The prior period has been restated to show the effect of Plant & Equipment reclassification as detailed in Note 6.

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

Notes to the Consolidated Financial Statements

For the Year ended 30th June 2020

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Company's registered office is located at Level 6, 44 Waymouth Street Adelaide, SA 5000. The consolidated financial report of the Company for the financial year ended 30th June 2020 comprises the Company and its subsidiaries (together referred to as the 'Group'). The Group is a for profit entity and is primarily involved in minerals exploration and development in Australia.

The financial report was authorised for issue by the directors on 30th September 2020.

a) Statement of Compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ('AASBs') adopted by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. The consolidated financial statements of the Group complies with International Financial Reporting Standards ('IFRSs') and interpretations adopted by the International Accounting Standards Board ('IASB').

b) Going Concern

The Group financial statements have been prepared on a going concern basis which contemplates the continuity of normal business activity and realisation 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 $19.821 million, including impairment and write-off of exploration expenditure of $18.466 million related to exploration and evaluation and net cash outflows from operating and investment activities of $0.831 million, for the year ended 30 June 2020. At 30 June 2020, the Company holds current assets of $2.001 million, which includes cash and term deposits of $1.814 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 have prepared a cash flow estimate for the twelve month period from the date of signing this financial report and identified a requirement to raise approximately $1.0 million to meet minimum ongoing operating commitments and expenditure required on the Ardmore Phosphate project in order for the Group to meet the obligation to commence extraction of at least 25,000 tonnes of Phosphate ore by 27 June 2021. Failure to commence the commercial extraction of minerals at a rate at which total production of the minerals extracted will exceed 25,000 tonnes per annum by 27 June 2021 will crystallise a further liability of $2.0 million payable under the terms of the purchase agreement of the Ardmore Phosphate project from Southern Cross Fertilisers Pty Ltd.

The Group has commenced documentation for a Rights Issue with a targeted raising of approximately $2.8 million by the end of December 2020. In addition to the rights issue, the Group is negotiating terms for a Convertible Note from Australia New Zealand Resources Corporation Pty Ltd, a director related entity, which could provide the Group with a loan of up to $1.0 million. The convertible note will be subject to shareholder approval at this year's Annual General Meeting.

The Directors of Centrex are optimistic funds will be raised under one of the above alternatives and therefore are of the opinion that the Group is able to meet its obligations as they fall due for at least twelve month from the date of signing this financial report and that the going concern basis is appropriate in the circumstances. However, at the date of this report, as the Group has not yet finalised its planned Rights Issue and has not agreed the terms of the Convertible Note, which would also be subject to approval from the Group's shareholders, and therefore these fund raising alternatives remain uncertain at this time. Should the Group not be successful in obtaining adequate funding from the sources noted above, there is a material uncertainty as to the ability of the Group to continue as a going concern and to realise its assets and extinguish its liabilities in the ordinary course of business.

c) Basis of Measurement and Presentation

The financial report is presented in Australian dollars, which is the Group's functional currency.

It has been prepared on the basis of historical cost and, except where stated, does not take into account changing money values or current valuations of non-current assets.

d) Accounting estimates and judgements

The Group's estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimates and assumptions

Income Tax – Note 1(j)

Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective area of interest will be achieved. At this point in time the Group has assumed there is insufficient probability of generating income and as such has not recognised a deferred tax asset in relation to the Group's carried forward tax losses in excess of the value to offset its deferred tax liabilities.

Exploration, evaluation and development expenditure – Note 1(k)

Determining the recoverability of exploration, evaluation and development expenditure capitalised in accordance with the Group's accounting policy (refer Note 1(k)), requires estimates and assumptions as to future events and circumstances in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective areas of interest will be achieved. Important to this assessment are estimates and assumptions as to ore resources and reserves, the timing of expected cash flows, exchange rates, commodity prices and future capital requirements. Changes in these estimates and assumptions as new information about the presence or recoverability of an ore resource or reserve become available, may impact the assessment of the recoverable amount of exploration, evaluation and development expenditure. If, after having capitalised the expenditure under policy 1(k), a judgement is made that recovery of the expenditure is currently not able to be determined, an impairment loss is recorded in accordance with accounting policy 1(p).

e) Principles of Consolidation

Subsidiaries

Subsidiaries are entities controlled by the Group. The consolidated financial statements of the Group include the financial statements of the Company, being the parent entity, and its wholly owned subsidiaries, from the date that control commences until the date control ceases:

- DSO Development Pty Ltd
- Flinders Pastoral Pty Ltd
- Lachlan Metals Pty Ltd
- Kimba Gap Iron Project Pty Ltd
- Centrex QLD Exploration Pty Ltd (previously named Port Spencer Holdings Pty Ltd)
- South Australia Iron Ore Group Pty Ltd
- Centrex Phosphate Pty Ltd (previously named Sturt Pastoral Pty Ltd)
- Centrex Potash Pty Ltd
- Centrex Zinc Pty Ltd

f) Joint Arrangements

Joint arrangements are those entities over whose activities the consolidated entity has joint control, established by contractual agreement.

Jointly controlled operations and assets

The interest of the consolidated entity in jointly controlled operations and jointly controlled assets are brought to account by recognising in its financial statements the assets it controls and the liabilities that it incurs, and the expenses it incurs and its share of income that it earns from the sale of goods or services produced by the joint arrangement. To the extent that the Company is being "free-carried" in the jointly controlled assets it will not reflect a share of such expenditure.

The balances and effects of transactions between controlled entities included in the consolidated financial statements have been eliminated.

g) Revenue Recognition

Revenue and expenses are brought to account on an accrual basis.

Interest income - Interest income is recognised as it accrues and is included in finance income.

Gain or loss on disposal of interest in mineral tenements

The Group recognises a gain or loss on disposal of interest in mineral tenements as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, less any direct costs. This income is recognised when the risks and rewards of ownership have passed to the buyer.

h) Government Grants

Grants that compensate the Group for exploration and evaluation expenditure incurred are offset against the exploration and evaluation capitalised asset in the same period in which the capitalised expenditure is recognised.

i) Cash and Cash Equivalents and term deposits

(i) Cash and cash equivalents comprise cash balances and call deposits which can be readily accessed and have maturities of 90 days or less.

(ii) Term deposits comprise cash deposits with maturities of more than 90 days.

j) Income Tax

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. Determination of future taxable profits requires estimates and assumptions as to future events and circumstances, in particular, whether successful development and commercial exploitation, or alternatively sale, of the respective area of interest will be achieved. This includes estimates and judgements about commodity prices, ore reserves, exchange rates, future capital requirements, future operational performance and the timing of estimated cash flows. Changes in these estimates and assumptions could impact on the amount and probability of estimated taxable profits and accordingly the recoverability of deferred tax assets.

The company and its wholly owned Australian resident subsidiaries commenced being a tax consolidation group on 27th January 2005 and are therefore taxed as a single entity. The head entity within the tax consolidation group is Centrex Metals Limited.

k) Exploration, Evaluation and Development Expenditure

Exploration for and evaluation of mineral resources is the search for mineral resources after the entity has obtained legal rights to explore in a specific area, as well as the determination of the technical feasibility and commercial viability of extracting the mineral resource. Accordingly, exploration and evaluation expenditures are those expenditures incurred by the Group in connection with the exploration for and evaluation of mineral resources before the technical feasibility and commercial viability of extracting mineral resources are demonstrable.

Costs associated with exploration, evaluation and development expenditure will be accumulated in respect of each separate ‘area of interest’. An ‘area of interest’ is an individual geological area which is considered to constitute a favourable environment for the presence of a mineral deposit or has been proved to contain such a deposit.

Expenditure incurred on activities that precede exploration and evaluation of mineral resources, including all expenditure incurred prior to securing legal rights to explore an area, is expensed as incurred. For each area of interest the expenditure is recognised as an exploration and evaluation asset where the following conditions are satisfied:

(a) The rights to tenure of the area are current; and

(b) At least one of the following conditions is also met:

(i) The expenditure is expected to be recouped through successful development and commercial exploitation of an area of interest, or alternatively by its sale; or

(ii) Exploration and evaluation activities in the area of interest have not, at reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of ‘economically recoverable reserves’ and active and significant operations in, or in relation to, the area of interest are continuing. Economically recoverable reserves are the estimated quantity of product in an area of interest that can be expected to be profitably extracted, processed and sold under current and foreseeable conditions.

Exploration and evaluation assets include:

- Acquisition of rights to explore;
- Topographical, geological, geochemical and geophysical studies;
- Exploratory drilling, trenching, and sampling; and
- Activities in relation to evaluating the technical feasibility and commercial viability of extracting the mineral resource.

General and administrative costs are allocated to, and included in, the cost of exploration and evaluation assets only to the extent that those costs can be related directly to the operational activities in the area of interest to which the exploration and evaluation assets relate. In all other instances, these costs are expensed as incurred.

During the time in which an area of interest qualifies for classification as an exploration and evaluation asset; any proceeds from the sale of material (derived for the purpose of evaluating its saleability) from that area of interest are offset against the expenditure incurred for that area of interest.

Exploration and evaluation assets are classified as tangible or intangible according to the nature of the assets. Assets that are classified as tangible include: piping and pumps; and, vehicles and drilling equipment. Assets that are intangible include: acquired rights to explore and exploratory drilling costs.

Exploration and evaluation assets are transferred to Development Assets once technical feasibility and commercial viability of an area of interest is demonstrable. Exploration and evaluation assets are assessed for impairment, and any impairment loss is recognised, prior to being reclassified.

Exploration and evaluation assets are assessed for impairment annually if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

l) Provisions

A provision is recognised in the consolidated statement of financial position when the Group has a present legal or constructive obligation that can be measured reliably as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

m) Provisions for Restoration and Rehabilitation

A provision is recognised for the estimated cost of rehabilitation, decommissioning and restoration relating to areas disturbed during the construction of the Ardmore Trial Mine up to reporting date but not yet rehabilitated. The provision is based on current cost estimates and has been determined on a discounted basis. As the provision represents the discounted value of the present obligation, using a pre-tax rate that reflects current market assessments and the risks specific to the liability, the increase in value of the provision due to the passage of time will be recognised as a borrowing cost in the profit and loss statement in future periods. The provision is recognised as a non-current liability (in line with the expected timescales for the work to be performed) with a corresponding asset taken to account and amortised over the life of the trial mine. At each reporting date the rehabilitation liability is reviewed and re-measured in line with changes in discount rates and timing and the amounts of the costs to be incurred based on the area of disturbance at reporting date. Changes in the liability relating to the re-assessment of rehabilitation estimates are added to or deducted from the related asset.

n) Property, Plant and Equipment

Property, plant and equipment is brought to account at cost, less where applicable any accumulated depreciation and impairment losses. The carrying amount of property, plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of those assets (refer Note 1(p)).

The gain or loss on disposal of fixed assets is determined as the difference between the carrying amount of the asset at the time of disposal and the proceeds of disposal, and is included in operating profit before income tax in the year of disposal.

The depreciable amount of all fixed assets is depreciated over their useful lives commencing from the date the assets are held ready for use.

o) Depreciation

With the exception of exploration, evaluation and development expenditure, depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each part of an item of plant and equipment. Following the re-classification of Exploration and evaluation assets as development assets, they are depreciated on a unit of production basis over the life of the economically recoverable reserves, once production commences.

Land is not depreciated.

The estimated useful lives of plant and equipment in the current and comparative periods are as follows:

Motor vehicles	3-5 years
Fixtures and fittings	3-5 years
Other plant and equipment	3-5 years
Buildings	50 years

p) Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

q) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to the Australian Taxation Office (ATO), is included as a current asset or liability in the consolidated statement of financial position.

Cash flows are presented in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which are recoverable or payable to the ATO, are disclosed as operating cash flows.

r) Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received. Trade accounts payable are normally settled within 60 days.

s) Share capital

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

t) Employee benefits

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term service benefits

The Group's net obligation in respect of long-term service benefits, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using the rates attached to the corporate bonds at the balance sheet date which have maturity dates approximating to the terms of the Group's obligations. Remeasurements are recognised in profit or loss in the period in which they arise.

Defined contribution superannuation funds

Obligations for contributions to defined contribution superannuation funds are recognised as an expense in the profit or loss as incurred.

Wages, salaries, annual leave and non-monetary benefits

Liabilities for employee benefits for wages, salaries, and annual leave that are expected to be settled within 12 months of the reporting date represent present obligations resulting from employees' services provided to reporting date and are calculated at undiscounted amounts based on remuneration wage and salary rates that the Group expects to pay as at the reporting date including related on-costs, such as workers compensation insurance and payroll tax. Non-accumulating non-monetary benefits, such as housing and cars, are expensed based on the net marginal cost to the Group as the benefits are taken by the employees.

Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic probability of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

u) Share and option compensation

Where shares or share options are issued to employees or directors as remuneration for past services, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the options. Unless otherwise stated, the fair value of the options granted is measured using an option-pricing model, taking into account the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest except for those that fail to vest due to market conditions or vesting conditions not being met.

The fair value of the employee share options and rights is measured using the Black-Scholes formula. Measurement inputs include the share price on measurement date, the exercise price of the instrument, expected volatility based on the Company's historic volatility, particularly over the period commensurate with the expected term and the risk free interest rate. Service and non-market performance conditions attached to the transactions are not taken into account in determining fair value.

v) Segmental reporting

The Group determines and presents operating segments based on the information that internally is provided to the Board, collectively the Group's chief operating decision makers.

The Board 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) and operations relate predominantly to mining exploration, it is appropriate to have one operating segment.

w) Earnings per share

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shares of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise any convertible notes, share options, and rights granted to employees.

x) New standards and interpretations

A number of new standards are effective for annual periods beginning after 1 July 2020 and earlier application is permitted. However, the Company has not early adopted the new or amended standards in preparing these consolidated financial statements and they are not expected to have a material effect on the Company's financial statements.

y) Impact of COVID-19 pandemic

The full impact of the COVID-19 pandemic continues to evolve at the date of this report. Management is actively monitoring the global situation and its impact on the Group's financial condition, liquidity, operations, suppliers and industry. Given the daily evolution of the COVID-19 outbreak and the scale and potential duration of the pandemic and its market consequences, the Board has considered it prudent to protect its valuable staff and assets by taking action to preserve cash to enable the Company to be able to act strongly and quickly once the Company raises sufficient finance for its projects. The ability to raise finance to progress the Company's projects has been severely hampered by the COVID-19 situation. As a result, substantive works for each project are planned only on the basis of raising additional funding.

Notes to the Consolidated Financial Statements (continued)

2. PROFIT FROM CONTINUING OPERATIONS

	2020 $'000	2019 $'000
Finance Income		
Interest income on bank accounts including term deposits	50	235
	50	235

	2020 $'000	2019 $'000
Other income		
Gain on asset disposals	9	-
Cash flow boost	50	-
Other	-	43
	59	43

	2020 $'000	2019 $'000
Employee Benefit Expenses		
Wages and salaries	214	412
Contributions to defined contribution superannuation funds	94	150
Employee liability movements	76	151
Equity settled share-based payment transactions	108	145
Other employee costs	58	162
	550	1,020

3. AUDITOR'S REMUNERATION

	2020 $	2019 $
Audit Services	46,575	56,407
Other services – employment advice	6,663	-
Other services – tenement expenditure audit	4,658	-
Other services – taxation advice	-	28,541
Auditors of the company - KPMG	57,896	84,948

Notes to the Consolidated Financial Statements (continued)

4. TAXATION

The consolidated entity is not recognising a deferred tax asset to the extent that it exceeds the total of deferred tax liabilities. Details of the current and deferred income tax expense is shown below:

	2020 $'000	2019 $'000
Current income tax expense / (benefit)		
Current period	-	-
Total income tax expense / (benefit)	-	-
Deferred Tax assets (DTA) and Deferred Tax liabilities (DTL)		
Property, plant and equipment	(30)	(7)
Provisions and accrued expenses	69	99
Exploration and evaluation assets	(1,237)	(4,674)
Interest receivable	-	(4)
Net DTL	(1,198)	(4,586)
Tax losses recognised to the extent of the DTL	1,198	4,586
Reconciliation of effective tax rate		
Loss for the year	(19,821)	(1,384)
Total income tax benefit	-	-
Loss excluding income tax	(19,821)	(1,384)
Prima facie income tax benefit calculated at 27.5% (2019: 27.5%)	(5,451)	(381)
Non-deductible expenses	31	41
Tax losses not recognised	5,420	340
Total income tax benefit	-	-
Unrecognised tax losses at 27.5% (2019: 27.5%)	8,110	2,674

Notes to the Consolidated Financial Statements (continued)

5. EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30th June 2020 was based on the loss attributable to ordinary shareholders of $19.821 million (2019: loss of $1.384 million) and a weighted average number of ordinary shares outstanding during the financial year ended 30th June 2020 of 315,685,357 (2019: 315,656,754).

	2020 $'000	2019 $'000
Loss attributable to ordinary shareholders		
Loss for the period	(19,821)	(1,384)
Loss attributable to ordinary shareholders	**(19,821)**	**(1,384)**
	Number of Shares	Number of Shares
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of year	315,685,357	315,505,357
Weighted average number of ordinary shares at year end	**315,685,357**	**315,656,754**
Earnings per share for continuing and discontinued operations		
Basic earnings / (loss) – cents per share	(6.28)	(0.44)
Diluted earnings / (loss) – cents per share	(6.28)	(0.44)

Options or rights 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. The dilutive earnings per share at 30 June 2020 is the same as basic earnings per share. In accordance with AASB 133 Earnings per share, as the potential ordinary shares would result in a decrease in the earnings per share, no dilutive effect has been taken into account. For the year ended 30th June 2020 the weighted average number of ordinary shares outstanding during the financial year after adjustment for the effects of all dilutive potential ordinary shares was 315,685,357 (2019: 315,656,754).

6. EXPLORATION AND EVALUATION EXPENDITURE

Tenements

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

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 Company has assessed the exploration and evaluation assets for impairment and has decided to include an impairment loss for the period ending 30 June 2020 of $13.2m. The impairment loss is in addition to $5,252 thousand of exploration and evaluation assets written off that related to tenements relinquished. The total exploration and evaluation assets written off during the year was $18,466 thousand.

	Restated* Cumulative Expenditure to 30th Jun 19	Expenditure 12 months to 30th Jun 20	Tenements relinquished to 30th Jun 20	Tenements impaired to 30th Jun 20	Cumulative Expenditure to 30th Jun 20
	$'000	$'000	$'000	$'000	$'000
Ardmore Phosphate	19,113	1,176	-	(9,629)	10,660
Northern Territory Phosphate	16	5	(7)	-	14
Goulburn Zinc	2,083	53	-	(2,136)	-
Oxley Potassium Nitrate	6,575	119	(5,245)	(1,449)	-
Total	**27,787**	**1,353**	**(5,252)**	**(13,214)**	**10,674**

* 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 modular plant to the Ardmore project.

The impact of this reclassification for the 30th 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 12 months ending 30 June 2019, $4,063 thousand was reclassified from acquisition of plant and equipment to expenditure on mining tenements.

Impairment

The ability to raise finance to progress the Company's projects has been severely hampered by the COVID-19 situation. As a result, substantive works for each project are planned only on the basis of raising additional funding.

For both the Goulburn Zinc and Oxley Potassium Nitrate exploration and evaluation assets, whilst investigative works continue, unless sufficient funds are raised there are no substantive works planned nor budgeted for these tenements. On this basis, the Company has chosen to impair these assets to $0 for the year ended 30 June 2020 on a fair value less cost to sell basis.

In relation to the Ardmore Phosphate exploration and evaluation asset an assessment was undertaken to estimate the recoverable amount on a fair value less costs of disposal basis. The fair value relies on level 3 inputs, utilising a market valuation approach based on the best information available to estimate an amount that could be obtained by reference to recent transactions involving similar assets within the same industry. A mid-range valuation of P_2O_5 per tonne was established and applied to the total measured and indicated resource. After allowance for a royalty applicable to Ardmore, the cost of tangible plant & equipment and costs to sell, a fair value of $10.660 million was determined.

Cumulative Capitalised Expenditure to 30th June 2020

	Tangible $'000	Intangible $'000	Total $'000
Ardmore Phosphate [1]	4,074	6,586	10,660
Northern Territory Phosphate	-	14	14
Cumulative capitalised expenditure 30 Jun 2020	**4,074**	**6,600**	**10,674**

1. Total cumulative capitalised expenditure includes an asset retirement cost of $0.15 million

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**

Notes to the Consolidated Financial Statements (continued)

7. LAND AND BUILDINGS, PLANT AND EQUIPMENT

	2020 $'000	Restated 2019 $'000
Land and buildings		
At cost	14	628
Add prior period impairment reversal	-	724
Less accumulated depreciation	(14)	(2)
Less disposals	-	(1,350)
Total land and buildings	-	-

	2020 $'000	Restated 2019 $'000
Plant and Equipment		
At cost	420	420
Less accumulated depreciation	(408)	(397)
Total plant and equipment	12	23

Movements in carrying amounts

	Plant & Equipment	Restated Total
	$'000	$'000
Restated Opening carrying amount 1 Jul 2019 (1)	23	23
Additions	3	3
Disposals	(2)	(2)
Accumulated depreciation reversal	2	2
Depreciation	(14)	(14)
Closing carrying amount 30 Jun 2020	12	12

(1) The opening balances have been restated to show the effect of Plant & Equipment reclassification as detailed in Note 6.

8. FINANCIAL GUARANTEES

	2020 $'000	2019 $'000
Deposits held as security		
Deposits held as security	323	350

	2020 $'000	2019 $'000
Guarantee facility		
Guarantee facility – available	350	350
Guarantee facility – undrawn	(27)	-
Guarantee facility – drawn	323	350

The Company has a cash-backed bank guarantee facility in place up to a value of $350 thousand. At 30 June the facility was drawn to $323 thousand. The amounts drawn under the facility relate to ML5542 (QLD).

9. CAPITAL AND RESERVES

Holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholder meetings. In the event of winding up of the Company, ordinary shareholders rank after creditors and are fully entitled to any proceeds of liquidation.

The Company does not have authorised capital or par value in respect of its issued shares.

Issued ordinary shares

	2020	2019
Issued ordinary shares at the beginning of the period	315,685,357	315,505,357
Ordinary shares issued during the period	-	180,000
Issued ordinary shares at the end of the period	315,685,357	315,685,357

10. OPTIONS AND RIGHTS

Options

There were no options outstanding at either 30th June 2020 or 30th June 2019.

Rights

The following share rights were outstanding as at 30th June 2020:

	As at 30th June 2020			
	2017 Performance Rights	2019 Performance Rights	2019 Performance Rights	2019 Retention Rights
Expiry date	22/10/2019	26/09/2020	02/05/2021	02/05/2021
Vesting date	22/09/2019	26/08/2020	02/04/2021	02/04/2021
Share Price Required to Vest:	$0.15	$0.17	$0.17	$0.00
Rights on issue at start of year	2,685,906	1,590,000	750,000	750,000
Rights issued during the year	-	-	-	-
Rights exercised during the year	-	-	-	-
Rights cancelled or lapsed	(2,685,906)	(280,000)	(750,000)	(750,000)
Rights on issue at end of year	-	1,310,000[1]	-	-

1. 1,310,000 performance rights expired subsequent to reporting date.

The following share rights were outstanding as at 30th June 2019:

	As at 30th June 2019					
	2017 Retention Rights	2017 Performance Rights	2019 Sign-on Rights	2019 Performance Rights	2019 Performance Rights	2019 Retention Rights
Expiry date	22/10/2019	22/10/2019	27/08/2018	26/09/2020	02/05/2021	02/05/2021
Vesting date	22/09/2017	22/09/2017	27/08/2018	26/08/2020	02/04/2021	02/04/2021
Share Price Required to Vest:	$0.00	$0.15	$0.00	$0.17	$0.17	$0.00
Rights on issue at start of year	357,143	3,805,034	-	-	-	-
Rights issued during the year	-	-	180,000[1]	2,247,070[1]	750,000[2]	750,000[2]
Rights exercised during the year	-	-	(180,000)	-	-	-
Rights cancelled or lapsed	(357,143)	(1,119,128)	-	(657,070)	-	-
Rights on issue at end of year	-	2,685,906	-	1,590,000	750,000	750,000

11. FINANCIAL INSTRUMENTS AND RISK EXPOSURES

(a) Financial risk management objectives

The Group does not enter into or trade financial instruments, for speculative purposes. As at 30th June 2020 the Group has no exposure to exchange rate risk and has no derivative exposures to commodity prices.

(b) Interest rate risk exposure

The Group has exposure to future interest rates on investments in fixed and variable-rate deposits. As at 30th June 2020 the Group had $2.137 million invested in such deposits (2019: $5.633 million). The Group does not use derivatives to mitigate these exposures.

Sensitivity Analysis

The Group does not account for any financial assets and liabilities at fair value through profit and loss and does not use interest rate derivatives. For the year ending 30th June 2020, a 1 percent increase in the effective interest rate would have resulted in an increase in profit of $0.032 million (2019: $0.093 million).

(c) Credit risk exposures

The Group has no significant concentrations of credit risk. As at 30th June 2020 the Group had receivables of $0.048 million (2019: $0.069 million).

The Group does not have significant credit exposure to outstanding receivables or investments due to the present nature of its operations. There have been no historical impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

(d) Capital management

The Board seeks to maintain a strong capital base sufficient to maintain the future development of the Group's business. The Board closely monitors the Group's level of capital so as to ensure it is appropriate for the Group's planned level of activities. There were no changes to the Group's approach to capital management during the year. Neither the Company nor its wholly owned subsidiaries are exposed to any externally imposed capital requirements.

Notes to the Consolidated Financial Statements (continued)

(e) Liquidity Risk Management

The Group manages liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The following are both the expected payments and contractual maturities, including estimated interest payments:

	2020 $'000	2019 $'000
Carrying amount – trade and other payables	72	850
Contractual cash flows	(72)	(850)
12 months or less	(72)	(850)

(f) Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, trade debtors, other debtors and accounts payable approximate net fair value.

The financial assets and financial liabilities included in assets and liabilities approximate their net fair values.

Cash assets are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

12. LEASES

Operating lease rentals are payable/receivable as follows:

	2020 $'000	2019 $'000
Payable to third parties		
Less than one year	-	92
Between one and five years	-	-
More than five years	-	-
Expensed during the year	57	76

Operating lease rentals relate to corporate and site offices and accommodation. At the end of the reporting period, the Company had an operating lease relating to its Corporate office. The lease terminated at the end of February 2020. From March 2020, the lease reverted 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.

13. RELATED PARTIES

The key management personnel compensation is as follows:

	2020 $'000	2019 $'000
Short-term employee benefits	1,038	1,665
Other long-term benefits	55	(22)
Termination benefits	58	-
Executive share options benefits	108	145
Employee benefits	1,259	1,788

Notes to the Consolidated Financial Statements (continued)

Individual director and executive compensation disclosures

Information regarding key management personnel compensation is provided in the Remuneration Report in section 5 of the Directors' Report.

No director has entered into a material contract with the company since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year-end.

Key Management Personnel Holding of Shares:

The movement during the reporting period in the number of ordinary shares in Centrex Metals Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

		Opening Balance	Number Purchased	Issued on Vesting	Ceased as KMP	Number Sold	Closing Balance
Dapop Pty Ltd <The Chrisp CXM A/C> (i)	2020	110,905,672	-	-	-	-	110,905,672
	2019	110,905,672	-	-	-	-	110,905,672
Dr A J Parker	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Mr Peter Cox	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Patna Properties Pty Ltd (ii)	2020	2,042,810	-	-	(2,042,810)	-	N/A
	2019	2,042,810	-	-	-	-	2,042,810
Mr Kiat Poh (iii)	2020	2,618,880	-	-	(2,618,880)	-	N/A
	2019	2,618,880	-	-	-	-	2,618,880
Candle Grove Pty Ltd (iv)	2020	866,155	-	-	(866,155)	-	N/A
	2019	866,155	-	-	-	-	866,155
Mr Chris Indermaur (v)	2020	-	-	-	-	-	N/A
	2019	-	-	-	-	-	-
Mr Alastair Watts	2020	487,711	-	-	-	487,711	-
	2019	487,711	-	-	-	-	487,711
Mr Gerard Bosch	2020	-	-	-	-	-	-
	2019	-	-	-	-	-	-
Mr Simon Slesarewich (vi)	2020	-	-	-	-	-	N/A
	2019	-	-	-	-	-	-
Mr Mark Terry (vii)	2020	180,000	-	-	(180,000)	-	N/A
	2019	-	-	180,000	-	-	180,000
Mr Steve Klose (viii)	2020	-	-	-	-	-	N/A
	2019	-	-	-	-	-	-
Mr Ben Hammond (ix)	2020	N/A	-	-		-	N/A
	2019	481,316	-	-	(481,316)	-	N/A
Mr Gavin Bosch (x)	2020	N/A	-	-	-	-	N/A
	2019	1,150,526	-	-	(1,150,526)	-	N/A

(i) Dapop Pty Ltd <The Chrisp CXM A/C> is an entity associated with Mr Graham Chrisp, Mr Jason Chrisp and Mr Ben Chrisp.
(ii) Patna Properties Pty Ltd is a company associated with Mr David Klingberg AO who retired effective 17 December 2019.
(iii) Mr Kiat Poh resigned effective 7 November 2019.
(iv) Candle Grove Pty Ltd is a company associated with Mr Jim Hazel who retired 20 September 2019.
(v) Mr Chris Indermaur resigned effective 28th January 2020.
(vi) Mr Simon Slesarewich ceased employment with the Company effective 26 February 2020.
(vii) Mr Mark Terry ceased employment with the Company effective 10 December 2019.
(viii) Mr Steve Klose resigned from the Company effective 17 January 2020.
(ix) Mr Ben Hammond resigned from the Company effective 30 April 2019.
(x) Mr Gavin Bosch resigned from the Company effective 30 September 2018.

Key Management Personnel Holding of Options & Rights:

The movement during the reporting period in the number of options and rights over ordinary shares in the Company held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

30th June 2020	Holding at 30th Jun 19	Issued	Exercised (E) or Lapsed (L)	Holding at 30th Jun 20
2017 Performance Rights				
Expiring: 22/10/19; Share hurdle: $0.15				
Mr Alastair Watts	895,302	-	(895,302) L	-
Mr Steve Klose	895,302	-	(895,302) L	-
Mr Gerard Bosch	895,302	-	(895,302) L	-
2019 Performance Rights				
Expiring: 26/09/20; Share hurdle: $0.17				
Mr Mark Terry *	750,000	-	-	750,000
Mr Alastair Watts	280,000	-	-	280,000
Mr Steve Klose	280,000	-	(280,000) L	-
Mr Gerard Bosch	280,000	-	-	280,000
Expiring: 02/05/21; Share hurdle: $0.17				
Mr Simon Slesarewich	750,000	-	(750,000) L	-
2019 Retention Rights				
Expiring: 02/05/21; Share hurdle: $0.00				
Mr Simon Slesarewich	750,000	-	(750,000) L	-
Total	5,775,906	-	(4,465,906)	1,310,000

* Mr Terry was made redundant during the period and under the terms upon which the 2019 performance rights were issued, the rights did not lapse upon termination of employment.

30th June 2019	Holding at 30th Jun 18	Issued	Exercised (E) or Lapsed (L)	Holding at 30th Jun 19
2017 Retention Rights				
Expiring: 22/10/19; Share hurdle: $0.00				
Mr Ben Hammond[1]	357,143	-	(357,143) L	-
2017 Performance Rights				
Expiring: 22/10/19; Share hurdle: $0.15				
Mr Ben Hammond	1,119,128	-	(1,119,128) L	-
Mr Alastair Watts	895,302	-	-	895,302
Mr Steve Klose	895,302	-	-	895,302
Mr Gerard Bosch	895,302	-	-	895,302
2019 Sign-On Rights				
Expiring: 27/08/18; Share hurdle: $0.00				
Mr Mark Terry	-	180,000	(180,000) E	-
2019 Performance Rights				
Expiring: 26/09/20; Share hurdle: $0.17				
Mr Ben Hammond[1]	-	657,070	(657,070) L	-
Mr Mark Terry	-	750,000	-	750,000
Mr Alastair Watts	-	280,000	-	280,000
Mr Steve Klose	-	280,000	-	280,000

Mr Gerard Bosch	-	280,000	-	280,000
Expiring: 02/05/21; Share hurdle: $0.17				
Mr Simon Slesarewich	-	750,000	-	750,000
2019 Retention Rights				
Expiring: 02/05/21; Share hurdle: $0.00				
Mr Simon Slesarewich	-	750,000	-	750,000
Total	4,162,177	3,927,070	(2,313,341)	5,775,906

No other options or rights were granted to key personnel during the reporting period as compensation.

14. 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.

15. COMMITMENTS AND CONTINGENT LIABILITIES

Minimum exploration tenement expenditures

In order to maintain 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 of the tenements. The tenement commitments are listed in detail in Section 10 of the Directors' Report. A summary of these commitments is as follows:

	2020 $'000	2019 $'000
Ardmore (QLD) - Phosphate		
Tenements with annual commitments	105	247
Goulburn (NSW) – Zinc		
Tenements with annual commitments	675*	645*
Oxley (WA) – Potassium Nitrate		
Tenements with annual commitments	142	469

* 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.

Other commitments

At 30th June 2020 the Group had no other commitments (2019: 0.061 million relating to construction of the Ardmore Phosphate Rock processing facility for the start-up phase of the project) payable within one year.

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.

Notes to the Consolidated Financial Statements (continued)

- 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.

16. NOTES TO THE STATEMENT OF CASH FLOWS

(a) Reconciliation of Cash

For the purpose of the Consolidated Statement of Cash Flows, cash includes cash on hand and at bank, net of outstanding bank overdrafts. Cash at the end of the financial year, as shown in the Consolidated Statement of Cash Flows, is reconciled to the related items in the Consolidated Statement of Financial Position as follows:

NOTE	2020 $'000	2019 $'000
Cash and cash equivalents	437	1,268

(b) Reconciliation of cash flows from operating activities

	2020 $'000	2019 $'000
Loss after income tax	(19,821)	(1,384)
Interest income	(50)	(235)
Depreciation	14	20
Reversal of previous year land impairment	-	(724)
Share options valuation	108	145
Exploration expenditure written off and other JV asset impairments	18,466	-
Profit on disposal of plant and equipment	(9)	-
Other	1	(42)
(Increase) in debtors	(48)	(45)
Increase / (decrease) in provisions	(119)	-
(Increase) / decrease in tax refund	-	116
Increase / (decrease) in payables	(805)	91
Net cash used in operating activities	(2,263)	(2,058)

17. PARTICULARS IN RELATION TO CONTROLLED ENTITIES

The Company holds 100% interest in the following controlled subsidiaries:

- South Australian Iron Ore Group Pty Ltd;
- Flinders Pastoral Pty Ltd;
- Centrex Phosphate Pty Ltd (previously named Sturt Pastoral Pty Ltd);
- Centrex QLD Exploration Pty Ltd (previously named Port Spencer Holdings Pty Ltd);
- DSO Development Pty Ltd;
- Lachlan Metals Pty Ltd;
- Kimba Gap Iron Project Pty Ltd;
- Centrex Potash Pty Ltd; and
- Centrex Zinc Pty Ltd.

Notes to the Consolidated Financial Statements (continued)

18. SEGMENT REPORTING

The Group operates in one business segment; mineral exploration and one geographical segment; Australia.

19. PARENT ENTITY DISCLOSURES

As at, and throughout the year the parent company of the Group was Centrex Metals Limited.

	Company	
	2020 $'000	2019 $'000
Result of the parent entity		
Profit / (Loss) for the period	(1,355)	(1,428)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	**(1,355)**	**(1,428)**
Financial position of the parent entity		
Current assets	2,324	5,768
Total assets	2,336	13,395
Current liabilities	301	1,148
Total liabilities	312	1,167
Net assets	**2,024**	**12,228**
Equity of the parent entity		
Contributed equity	41,351	41,351
Share options issues	2,647	2,540
Accumulated losses	(41,974)	(31,663)
Total equity	**2,024**	**12,228**

Commitments and contingent liabilities of the parent entity

The commitments and contingent liabilities of the parent entity are the same as those identified at note 15.

20. EVENTS SUBSEQUENT TO BALANCE DATE

There were no material events that occurred subsequent to the end of the financial year.

Directors' Declaration

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

1 (a) the consolidated financial statements and notes set out on pages 26 to 48, and the Remuneration report in the Directors' Report, are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Group's financial position as at 30th June 2020 and of its performance, for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

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

2 The Directors have been given the declarations by the Executive Chairman for the financial year ended 30th June 2020 pursuant to Section 295A of the Corporations Act 2001.

3 The Directors draw attention to Note 1(a) of the financial statements, which includes a statement of compliance with International Financial Reporting Standards.

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

Mr Graham Chrisp

Dated at Adelaide this 30th day of September 2020

KPMG

Independent Auditor's Report

To the Shareholders of Centrex Metals Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Centrex Metals Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Group's financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The Financial Report comprises:

- Consolidated statement of financial position as at 30 June 2020;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Notes including a summary of significant accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Centrex Metals Limited (the Company) and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

KPMG

Material uncertainty related to going concern

We draw your attention to Note 1 (b), Going Concern in the financial report. The conditions disclosed in Note 1 (b) indicate a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the financial report. Our opinion is not modified in respect of this mater.

In concluding there is a material uncertainty related to going concern we evaluated the extent of uncertainty regarding events or conditions casting significant doubt in the Group's assessment of going concern. Our approach to this involved:

- Evaluating the feasibility, quantum and timing of the Group's plans to raise additional shareholder funds to address going concern;
- Assessing the Group's cash flow forecasts for incorporation of the Group's operations and plans to address going concern, in particular in light of the requirement to commence the commercial extraction of minerals in relation to the Ardmore Phosphate project; and
- Determining the completeness of the Group's going concern disclosures for the principle matters casting significant doubt on the Group's ability to continue as a going concern, the Group's plans to address these matters and the material uncertainty.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

These matters were addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Material uncertainty related to going concern section, we have determined the matter described below to be the Key Audit Matter.

Exploration and evaluation expenditure asset – $10.674 million	
Refer to Note 6 to the financial report	
The key audit matter	**How the matter was addressed in our audit**
A key audit matter for us was the carrying value of the Group's exploration and evaluation expenditure, given the size of the balance (being 82% of total assets). In addition to the above: • The Group recorded an impairment charge of $13.214 million against capitalised exploration and evaluation expenditure recorded for Ardmore Phosphate, Goulburn Zinc and Oxley Potassium Nitrate projects and an additional $5.252 million exploration and evaluation expenditure was written-off against tenements surrendered during the year ended 30 June 2020. • The carrying amount of the net assets of the Group, post impairment, exceeded the Group's market capitalisation at year end, increasing the possibility of further exploration and evaluation expenditure being impaired. This further increased our audit effort in this key audit area. We focussed on the comparability of transactions utilised by the Group to estimate fair value less costs of disposal of the Ardmore Phosphate project. Using comparable transactions to estimate fair value less costs of disposal tends to be prone to greater risk for potential bias, error and inconsistent application due to the difficulty in identifying projects and transactions which are directly comparable. These conditions necessitated additional scrutiny by us. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Our procedures included: • We, along with our valuation specialists, considered the appropriateness of the fair value less costs of disposal method applied by the Group to perform the impairment assessment against the requirements of the accounting standards. • We compared the characteristics of the Ardmore Phosphate project to the projects and transactions utilised by the Group in estimating the fair value less costs of disposal. • We checked the consistency of the fair value less costs of disposal assessment against the Group's stated plans and strategy and our experience regarding the feasibility of these in the industry and economic environment in which they operate. • We recalculated the impairment charge against the recorded amount disclosed. • We, along with our valuation specialists, assessed the Group's reconciliation of the difference between the year-end market capitalisation and the carrying amount of the net assets by comparing to accepted market control premiums. • We assessed the competence and objectivity of the internal expert engaged to assess the fair value less costs of disposal for the Ardmore project. • We assessed the disclosures in the financial report using our understanding of the issue obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Centrex Metals Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001;*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing ar Assurance Standards Board* website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our Auditor's Report.

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Centrex Metals Limited for the year ended 30 June 2020, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 15 to 19 of the Directors' report for the year ended 30 June 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Paul Cenko
Partner

Adelaide

30 September 2020

ASX Additional Information (unaudited)

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below.

Substantial Shareholders of Ordinary and Escrow shares

Rank	Name	27th September 2020	
		Units	% of Issued Capital
1	DAPOP PTY LTD <THE CHRISP CXM A/C>	110,905,672	35.13%
2	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	12.80%
3	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	6.94%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,685,245	4.65%
5	MISS LAY HONG GOH	10,845,101	3.44%

Distribution of equity holders

Name	27th September 2020	
	Fully paid ordinary and escrow shares	Employee options / rights plan
1 – 1,000	72	-
1,001 – 5,000	112	-
5,001 – 10,000	321	-
10,001 – 100,000	508	-
100,001 and over	158	-
	1,171	-

At 27 September 2020 there were 1,171 holders of a total of 315,685,357 fully paid ordinary shares and there were 608 shareholders holding less than a marketable parcel.

The issued capital of the Company is fully paid ordinary shares (entitling the holders to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held). On a show of hands every holder of the shares present at a meeting in person or by proxy is entitled to one vote and upon poll each share counts as one vote.

Notes to the Consolidated Financial Statements (continued)

Top 20 Holders of Ordinary and Escrow shares

Rank	Name	27th September 2020	
		Units	% of Issued Capital
1	DAPOP PTY LTD <THE CHRISP CXM A/C>	110,905,672	35.13%
2	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	12.80%
3	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	6.94%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,685,245	4.65%
5	MISS LAY HONG GOH	10,845,101	3.44%
6	MR MELVIN BOON KHER POH	5,782,404	1.83%
7	KNT INTERNATIONAL CO LTD	5,535,000	1.75%
8	GERARD ANDERSON SUPER PTY LTD	3,990,000	1.26%
9	MR EWE GHEE LIM & MISS CHARLENE YULING LIM	3,750,000	1.19%
10	CITICORP NOMINEES PTY LIMITED	3,573,826	1.13%
11	BNP PARIBAS NOMINEES PTY LTD	3,319,258	1.05%
12	MR DIETER URMERSBACH & MRS ROSMARIE URMERSBACH	2,668,270	0.85%
13	MR KIAT POH & MISS JU-LYNN POH	2,618,880	0.83%
14	AMALGAMATED DAIRIES LIMITED	2,617,327	0.83%
15	MR YAM POEY CHEW	2,500,000	0.79%
16	MR DIETER URMERSBACH & MRS ROSMARIE URMERSBACH <D & R URMERSBACH S/F A/C>	2,276,676	0.72%
17	JP MORGAN NOMINEES AUSTRALIA PTY LIMITED	2,150,028	0.68%
18	MR KA FAI MARTIN WONG	2,126,455	0.67%
19	PATNA PROPERTIES P/L	2,042,810	0.65%
20	MR PETER HOWELLS	2,000,000	0.63%
		245,686,551	77.82%

Company Directory

Company Secretaries

Dr John Santich, appointed 31st March 2020

Principal Registered Office

Centrex Metals Limited

Level 6, 44 Waymouth Street

Adelaide SA 5000

08 8213 3100

08 8231 4014

www.centrexmetals.com.au

Locations of Share Registries

Boardroom Pty Limited

Level 7, 207 Kent Street

Sydney NSW 2000

GPO Box 3993

Sydney NSW 2001

Telephone:	(02) 9290 9600
Fax:	(02) 9279 0664
Email:	enquiries@boardroomlimited.com.au
Web:	www.boardroomlimited.com.au

Australian Securities Exchange

The Company listed on the Australian Securities Exchange on 17 July 2006. The Home exchange is Adelaide.

ASX Codes

Shares: CXM

Auditors

KPMG

Chartered Accountants

151 Pirie Street

Adelaide SA 5000