



ASX ANNOUNCEMENT - 1 DECEMBER 2021

MEMORANDUM OF UNDERSTANDING (MoU) ENTERED INTO WITH AURIZON OPERATIONS LIMITED FOR THE ARDMORE PHOSPHATE PROJECT

Centrex Metals Limited (ASX:CXM) ("Centrex" or Company") is pleased to announce that its wholly owned subsidiary, Agriflex Pty Ltd, has entered into a Memorandum of Understanding (MOU) with Aurizon Operations Limited ("Aurizon") to formulate the freight and logistical framework required to distribute and export the product to market for the Ardmore Phosphate Project.

The MoU principally focuses on formulating a framework around Aurizon transporting 5 x 5000t ("trial tonnes") parcels and any additional volumes which eventuate throughout 2022, up to a maximum of 114,048tpa ("expanded trial tonnes"), by truck and rail from the Ardmore Mine to the Port of Townsville.

The MoU also covers the establishment of the framework around the following:-

- (a) provision of all supply chain inputs for the transportation of Agriflex's trial tonnes and expanded trial tonnes including, but not limited to, first and last mile logistics, Ardmore site services, rail transportation, road transportation and stevedoring;
- (b) provision by Aurizon of terminal services between Mt Isa and Aurizon Port Services, Townsville;
- (c) provision by Aurizon of storage for containerised phosphate at any agreed locations within the supply chain;
- (d) provision by Aurizon of associated services which may be required by Agriflex; and
- (e) associated capital infrastructure investment by Aurizon.

The MoU also obligates the parties to use their reasonable endeavours to negotiate binding formal agreements on or before 30 January 2022 (or such later date as agreed) covering the agreed terms of the freight and associated logistical requirements to distribute and export the Ardmore product.

The Parties acknowledge that the MOU sets out a framework and time-line for discussions but places no obligations on either Party regarding achieving any outcome from those discussions.

Commenting on the MoU, Centrex Managing Director Robert Mencil said:

“Aurizon is a top 100 ASX company and Australia’s largest rail freight operator.”

“We are pleased to be working with Aurizon to develop an optimal freight and logistics solution for the Ardmore Phosphate Rock Project on the back of our recent announcement of Agriflex Pty Ltd’s term sheet with Samsung C&T Corporation which is yet another step towards our objective of bringing Ardmore into full-scale production.”

This ASX announcement has been approved and authorised for release by the Board of the Company.

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FORWARD LOOKING STATEMENTS

Certain statements in this document are or maybe “forward-looking statements” and represent Centrex’s intentions, projections, expectations or beliefs concerning among other things, future exploration and mining activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Centrex and which may cause Centrex’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Centrex does not make any representation or warranty as to the accuracy of such statements or assumptions.

About Centrex Metals

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