



ASX ANNOUNCEMENT

12 May 2022

Contract Signed with Ballance Agri-Nutrients for Trial Shipment

Centrex Limited (ASX: CXM) (**Centrex**) is pleased to announce that its 100% owned subsidiary Agriflex Pty Ltd (**Agriflex**) has executed a further agreement for a trial shipment, this time with Ballance Agri-Nutrients Limited (**Ballance**). The agreement covers the sale of a 5,000 wet tonnes beneficiated phosphate rock trial shipment to Ballance and includes a first right of refusal to purchase 20% of the Ardmore mine's annual production for the first three years (**Available Production**).

Ballance is a leading New Zealand farmer-owned fertiliser cooperative company which manufactures, supplies and sells fertilisers to farmers throughout New Zealand, as well as a full range of science based agricultural nutrient products.

The 5,000 wet tonne shipment has been sold on a free on-board basis, to be loaded Townsville, Queensland during September 2022. The trial shipment has been sold at a price in line with current market pricing.

The agreement includes a first right of refusal to Ballance to purchase up to 20% of the production at Ardmore (**First Right**) under a three-year offtake agreement (**Offtake Agreement**). The First Right is exercisable within 60 days of Agriflex providing notice of its good faith estimate of Available Production for a three-year period. If Ballance does not elect to exercise the First Right within the timeframe, then the First Right will lapse for the Available Production and Ballance will have no further obligation to Agriflex under the agreement.

The trial shipment is conditional upon upgrades to the processing plant being completed by Agriflex to its satisfaction to sufficiently produce the product. It is also conditional upon receiving all necessary approvals for the performance of the Company's delivery obligations. The term of the agreement covers the period of the completion of the trial shipment and first right of refusal obligations.

Separately to the 20% of annual production reserved to Ballance, in the event that Ballance enters into an Offtake Agreement, the parties have further agreed to work together in good faith to develop a plan to supply up to 50,000mt of Product to Ballance (**Consignment Stock**) on a consignment basis as safety stock for the Buyer (**Consignment Stock Plan**). Agriflex is under no obligation to supply the Consignment Stock but has agreed to work towards developing the Consignment Stock Plan with Ballance by the 30th September 2022 for execution by the 30th April 2023.

The agreement also contains further terms and clauses customary for an agreement of this type.

The entering into the contract with Ballance comes at an opportune time for the Company on the back of Phosphate Rock prices reaching their highest levels since mid-2009 as at 3rd May 2022, with the benchmark Phosphate Rock price FOB North Africa price at US\$249.50 per tonne¹.

The Company's updated Definity Feasibility Study (DFS) in August 2021 used a benchmark rock phosphate price of US\$125 per tonne and generated Project gross revenue of A\$1.453 bn². The current US\$249.50 per tonne benchmark rock phosphate price represents a 100% increase compared to US\$125 benchmark price used in the August 2021 DFS.

Commenting on the agreement with Ballance, Centrex's Managing Director Robert Mencil said:

"Agriflex is proud to be entering into this agreement and the potential to work further with Ballance to improve New Zealand's supply security of phosphate rock. With the signing of this agreement, the Ardmore Project has 90% of its first three years of production allocated to major customers in Australia, New Zealand and Asia".

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

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ABOUT CENTREX

Centrex Limited 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.

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

¹ Source: World Bank Commodities

² Please refer to Centrex ASX Announcement dated 12 August 2021 for further details.

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.