CENTREX

ANNUAL REPORT

2022

Contents

Chairman's Report

Dear Shareholders

On behalf of the Centrex Limited's board, it gives me great pleasure, in my first year as chairman, to present the Company's Annual Report for the 2022 financial year.

I am pleased to report the significant progress the Company has achieved to date in developing its 100%-owned Agriflex Pty Ltd (Agriflex) fertiliser business and welcome those that have become shareholders for the first time.

During the financial year, Agriflex successfully commissioned its flagship Ardmore Phosphate Rock Project in North West Queensland.

The Company's Managing Director, Robert Mencel, has assembled an experienced project management, engineering, technical and operational team to implement the Ardmore Project and build a foundation for a sustainable business into the future.

Highlights include:

- Shareholder approval to change the company's name to Centrex Limited at the 2021 AGM.
- Successful capital raise, announced on 28 October 2021, by way of a share placement to sophisticated investors of 44.4 million new shares at an issue price of $0.09 to raise $4.0 m.
- Agriflex executing a conditional term sheet with Samsung C & T Corporation to take the lesser of 20% of the product or 160,000 MT of product for the first three years.
- Settlement with Southern Cross Fertilizers Pty Ltd (SCF) in the dispute with the Royalty Deed. Agriflex announced on 25 November 2021 it had agreed to increase SCF's first right of refusal over Ardmore's available production under Royalty Deed from 20% to 30% and to pay an amount of $1.0 m.
- The company announced on 6 April 2022 a binding commitment to place 57.1m shares to institutional, professional, and sophisticated investors at an issue price of $0.14 per share to raise gross proceeds of approximately $8.0m. The Company further announced a non-renounceable entitlement offer to Eligible Shareholders to raise up to another $8.0 m fully underwritten by Taylor Collison.
- The Company announced in the March 2022 quarterly that 70% of its first three years of production had been allocated to first-class customers.
- The Company announced in the June 2022 quarterly that it had achieved nameplate capacity and metallurgical design performance with the plant consistently achieving the design throughput rate of 80 tonnes (wet) per hour feed of phosphate rock and product yields of over 80% compared to the Plants 70% design parameters.
- The Plant is producing a world class plus 34.5% P2O5 (Assayed) final product grade from a 30-31% (Assayed) feed grade with R2O3 impurity levels below the preferred market acceptance level of 3%.
- The mining contractor mobilised to site in April 2022 to recommence stripping of overburden and ore mining. Mining is ongoing at the scheduled production rate of 27,000 t of ore per month. Further crushing and screen enhancements have been identified to increase efficiencies and reduce costs.
- Appointment of key executives to establish and maintain a viable business, including the following appointments-

Brian Hall	General Manager Ardmore project
Stewart Bale	Commercial Manager Agriflex
Cormac Byrne	Chief Financial Officer
Enzo Artone	Chief Technical Officer
Gavin Swart	Engineering & Projects Manager

During the June 2022 quarter, the Company signed agreements to reserve 100% of its first three years production with the final 50% allocated to major customers in Australia, New Zealand and Asia.

With 100% of the Ardmore projects annual production reserved for the first three years and the beneficiation plant producing a 34.5% P205 final grade product, the Company has significantly de-risked many of technical aspects of the Ardmore project, helping to support future final investment decisions.

All non-process infrastructure was completed on schedule and budget. The work completed included installation of onsite power generation and distribution, mine site potable and non-potable water supply, construction of offices and work shop, initial tailings dam cell, construction of permanent service roads and additional accommodation in Dajarra.

Initial engineering work suggests the existing Ardmore plant has significant latent production capacity. Detailed engineering design work commenced in July 2022 to identify aspects of the plant which can be up-graded at low cost. The low-cost capital changes to the plant are expected to increase nameplate capacity from 80 tph to greater than 100 tph.

The engineering design work is expected to be completed by December 2022 and progressively implemented.

The Company has three potential plant locations under consideration; at Ardmore, where the Definitive Feasibility Study was based upon, Mount Isa and Townsville. Regardless of the plant location, a Townsville facility will be required for product storage, staging and ship loading. A decision as to where to locate the plant is yet to be finalised.

When the Company in August 2021 announced an update to its Definitive Feasibility Study for its Ardmore Phosphate Rock Project, the average June / July 2021 North Africa FOB Benchmark Price adjusted for grade was USD $125.The benchmark phosphate price in the last quarterly lodged on the 29 July 2022 was US $287.50, representing a 130% increase in potential revenue. There is also a potential gain on the exchange rate given that A$0.74 was used in the August 2021 update and the weakening in the Australian dollar since.

As a show of confidence in the Ardmore project, one of the Company's major shareholders Australian New Zealand Resources Corporation Pty Ltd, converted their $1.0 m Convertible Note into 59.545 m shares together with attaching options and the registered security has been discharged. This will assist the Company when it comes to progressing its final investment decision.

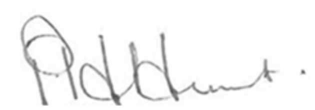
The Centrex management team and the boards primary focus is the Ardmore project and Oxley potassium project.

During the year minimal work was carried out at the Goulburn Gold – Base Metal project in NSW. In the next twelve months the company will carry out a strategic review of its NSW projects to determine the best way to maximise shareholder value.

I wish to acknowledge the efforts of the Centrex team and Robert Mencel for delivering on the Company's strategy and for building a sustainable business which will likely increase shareholders value in the medium term.

I wish to thank our long-term shareholders and welcome new shareholders to the Company for what I see as an extremely exciting and rewarding next 12 months.

Kind Regards



Mr Peter Hunt

Chairman

Managing Director's Report

During the Financial 2022 year, the company made substantial progress transforming Centrex into a modern resource company.

Its 100% owned agricultural fertiliser company Agriflex Pty Ltd (Agriflex) recommenced mining at the Ardmore Phosphate Rock Mine and successfully completed and commissioned the beneficiation plant onsite. This was completed on budget and schedule.

At the end of the June quarter, the company formally committed to the "Ardmore Stage 1.5 Project". Initial engineering work suggests the existing Ardmore's plant has significant latent production capacity. Detailed engineering design work commenced in July to identify aspects of the plant which can be upgrade at low cost. Areas identified to date include potential screen modifications, additional cyclones, as well as optimising and resetting plant operational parameters.

These low-cost capital changes are expected to increase name plate capacity from 80tph to greater than 100tph. The engineering design work is expected to be completed by December 2022. Key focus for the year ahead increasing production at Ardmore and reducing its operating costs.

Front End Engineering and Design and approvals planning continues for the 800,000 tpa plant. Project options analysis and scheduling work for optimal project development and execution timelines are ongoing.

An experienced EPC contractor continues to work on optimising the physical location of the process plant and the logistics pathway. This work is expected to be completed in Q3 2022. Three potential plant locations are being examined in detail. These are the Ardmore site, a potential site near Mt Isa and Townsville.

The Definitive Feasibility Study is based upon the plant being built at Ardmore. The benefit of the Ardmore site is the reduced logistics costs as only final product is transported, albeit work has been concluded that has identified markets for the low- grade phosphate by- product streams. This by-product sale improves the overall Ardmore resource utilisation.

The benefit of the Mount Isa site is access to mains services (water, gas, electricity) and other established town services (workforce, accommodation, airport etc.) Only the final product would need to be transported from Mount Isa to Townsville.

The benefit of the Townsville plant is access to lower costs services and immediate access to the port. A Townsville facility would enhance and extend the longer-term business strategy that could include the treatment of other resources within rail, transport and shipping corridors both on-shore and from overseas. There are multiple potential locations that are currently being assessed within Townsville and its surrounds.

Regardless of the plant location, a Townsville facility will be required for product storage, staging and ship loading.

With the initial production Ardmore beneficiation plant recently achieving and exceeding design throughput and design yield parameters, the commercial plant process flow diagram will be optimised and costed using this experience.

An environmental and social impact assessments consultant has been engaged to provide planning and scheduling advice on the approval and permitting pathway for the various plant site options. Initial consultations and engagement with Townsville port, business, service providers and community stakeholders has commenced.

The Company continues to undertake metallurgical test work on its Oxley Potassium Feldspar Project in Western Australia. The test work is aimed at developing a low cost process flowsheet to produce a novel potassium fertiliser.

Hydrothermal testwork is underway includes:
• High temperature and pressure lime leach
• Atmospheric pressure/elevated temperature hydroxide leach
• Atmospheric pressure/elevated temperature hydroxide/glycine leach

The programme is due for completion mid-August 2022 at which point positive results may warrant further testing. No further testing is planned for the baseline roast/ leach/ precipitate/ Flotation/ KNO3 conversion flowsheet.

The Company has two exploration licences EL 7388 Goulburn and EL 7503 Archer located in the east Lachlan Fold Belt. Minimal exploration work was undertaken during the financial year.

The company's key focus for the year ahead is increasing production at Ardmore and lowering operating costs.

On behalf of the Board, I would like to thank our all our employees for their contribution to Centrex throughout the year and acknowledge the support of our suppliers and contractors who have played a significant role in the company's success to date.

Kindest regards

Mr Robert Mencel

Managing Director

Mining Exploration Entity Annual Reporting Requirements

LIST OF TENEMENTS IN WHICH THE GROUP HAS AN INTEREST

TENEMENT LIST				AS AT 30TH JUNE 2022
Location	Licence number	Description	Held by:	Interest %
Queensland	ML 5542	Ardmore Phosphate Rock Project	AgriF[1]	100
	EPM 26551	Ardmore EPM 26551	AgriF[1]	100
	EPM 26568	Ardmore EPM 26568	AgriF[1]	100
	EPM 26841	Ardmore EPM 26841	AgriF[1]	100
Western Australia	E70/4318	Oxley C	CPot[2]	100
	E70/5976	Oxley	CPot[2]	100
	E70/5977	Oxley	CPot[2]	100
	E70/5978	Oxley	CPot[2]	100
New South Wales	EL 7388	Goulburn	LM[3]	100
Northern Territory	ELA 32048	Northern Territory ELA 32048	CQld[4]	Application

Wholly owned subsidiaries of Centrex Limited:

1 Agriflex Pty Ltd
2 Centrex Potash Pty Ltd
3 Lachlan Metals Pty Ltd
4 Centrex QLD Exploration Pty Ltd

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 2022
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 2022
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 2022
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)	
		30/6/2022	30/6/2021
Potassium			
Oxley	Resource	154.7	154.7
Phosphate			
Ardmore	Resource	16.2	16.2
Ardmore	Reserve	10.1	10.1

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 Managing Director'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 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 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 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 2022

The Directors present their report together with the consolidated financial report of Centrex Limited (formerly Centrex Metals Limited) ("Company") and its controlled entities ("Group"), for the financial year ended 30th June 2022 and the auditor's report thereon.

Section | Contents of Directors' Report

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 Peter Hunt FCA Appointed 15/12/20 Chairman since 30/06/21	Chairman – Non executive Director – Independent Mr Hunt was appointed initially as a Non-Executive Director of the Company on 15 December 2020. He was a former consultant to BDO Australia, which acquired PKF Adelaide of which Mr Hunt was senior partner in 2012. He is a member of the Chartered Accountants Australia & New Zealand. Mr Hunt is an experienced company director and has been a director and chairman over several decades of a number of ASX listed mineral exploration and technology oriented companies. Mr Hunt is a member of the Company's Remuneration and Nomination Committee and Audit and Risk Committee. In the three years immediately prior to 30 June 2021 Mr Hunt was Chairman of Xped Ltd, resigning on the 5th February 2020. Other than as disclosed above, in the three years prior to 30 June 2022, Mr Hunt held no other positions with any other ASX listed companies.
Mr Robert Mencel B Eng(Mining) MBA Appointed CEO 24/05/21 Appointed MD 01/09/21	Managing Director – Executive Director Mr Mencel is an engineering and mining executive with more than 25 years' experience developing and operating a wide range of mining, mineral processing and engineering operations. Previously he held the position of CEO for RONPHOS Corp., the Republic of Nauru's Phosphate company, where he was responsible for production, marketing and export of phosphate to customers throughout Asia and Indian Pacific region. Mr Mencel brings significant senior managerial experience to the role at Centrex, having held the position of Managing Director/CEO of various ASX listed companies in the energy and resource sector. In the three years before 30 June 2022, Mr Mencel held no director positions with any other ASX listed companies.
Mr Graham Chrisp B Tech (CE) Appointed 21/1/10 Executive Chairman 2/12/19 – 30/06/21 Remains a Non-Executive Director	Non-executive Director – Not Independent 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 Limited (having previously served as its CEO 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. In addition, Mr Chrisp is managing director of Australian New Zealand Resources Corporation Pty Ltd, who through the Chrisp Family Trust is the Company's second largest shareholder. 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. In the three years before 30 June 2022, Mr Chrisp held no director positions with any other ASX listed companies.

Dr A John Parker BSc (Hons).PhD, DipCompSc, MAIG, MAICD Appointed 17/12/19	<u>Non-Executive Director – Independent</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 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. He was formerly Managing Director of Lincoln Minerals Limited and is a member of the Australian Institute of Geoscientists and the Australian Institute of Company Directors. Dr Parker is a member of the Company's Remuneration and Nomination Committee and the Audit and Risk Management Committee. In the three years before 30 June 2022, Dr Parker held no director positions with any other ASX listed companies.

1.2 Company Secretary

Mr Jonathan Lindh was appointed on the 29 March 2021 and has over 15 years' legal and corporate advisory experience practising predominantly in the energy and resources sector. Mr Lindh holds a Bachelor of Laws, a Bachelor of International Studies and post graduate qualifications in finance and corporate governance. Mr Lindh has extensive experience in the areas of corporate governance, mergers and acquisitions, joint ventures, farm-in arrangements, equity capital markets, foreign investment and native title /aboriginal heritage.

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 29 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.

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 2022 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 P Hunt	12	12	2	2	-	-
Mr R Mencel	12	12	2	2	-	-
Mr G Chrisp	12	12	2	2	-	-
Dr J Parker	12	10	2	2	-	-

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 4th 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:

https://www.centrexlimited.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.

For the year ended 30th June 2022, the Non-Executive Directors' compensation comprised Directors' base fees of $54,545 per annum (2021: $35,000 per annum) for the Chairman and $45,455 per annum (2021: $35,000 per annum) for the other Non-Executive Directors.

Superannuation is paid on behalf of the Non-Executive Directors at the rate of 10% 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. The increases in Directors Fees was effective from the 1st November 2021.

Managing Director and other key management personnel

Remuneration packages for the Managing Director and other Key Management previously included a mix of fixed and variable compensation, the variable compensation using short and long term incentives. The remuneration packages currently takes 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) is currently 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) provides 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 2022 financial year Mr Robert Mencel was awarded 3 Million Performance Rights as approved at the 2021 AGM.

Following their issue, the first tranche of 1,000,000 performance rights vested and were exercised into the equivalent number of ordinary shares after meeting the following Performance Conditions.

(a) 500,000 vesting upon a continuous period of employment of 12 months with the Company;

(b) 100,000 vesting upon completion of an update of the 2018 Ardmore Project Definitive Feasibility Study;

(c) 100,000 vesting upon securing direct application phosphate rock sales to 3 or more customers;

(d) 200,000 vesting upon securing 2 or more sales/marketing agreements for future Ardmore Project production; and

(e) 100,000 vesting upon the Company completing a successful capital raise of $2m or more.

Tranche 2, 1,000,000 Performance Rights, with the performance period being the financial year ending 2023:

(a) 500,000 vesting upon a continuous period of employment of 24 months with the Company;

(b) 300,000 vesting upon shipment of more than 20,000t in trial shipments for Ardmore;

(c) 200,000 vesting upon completion of FEED for 800ktpa process plant for the Ardmore Project.

Tranche 3, 1,000,000 Performance Rights, with the performance period being the financial year ending 2024:

(a) 250,000 vesting upon a continuous period of employment of 36 months with the Company;

(b) 350,000 vesting upon completing of financial closure for the construction and operation of a 800kt pa Process Plant;

(c) 400,000 vesting upon 80% of production at the Ardmore Project allocated by sales/marketing agreements or off take agreements.

The fair value of the share-based payments was determined based on the market price for the shares as at the grant date.

Service agreements

Robert Mencel, Managing Director

Mr Mencel was appointed Chief Executive Officer (CEO) on 24th May 2021 and Managing Director on 1st September 2021. On appointment as CEO his total annual fixed remuneration was $390,000 plus statutory superannuation. On the 1st June 2022 Mr Mencel's total annual fixed remuneration was increased to $450,000 plus statutory superannuation.

Mr Mencel's employment with the company may be terminated with three months written notice.

Other Key Management Personnel

Mr Alastair Watts - General Manager Exploration

Service Agreements

Mr Watts contract is for an unlimited term and can be terminated by either party by giving up to three months' written notice. The Company reserves the right to terminate the contract without notice in the event of misconduct or dishonesty. His total annual fixed remuneration is $260,500 plus statutory superannuation.

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:

		Salary & fees	Non-monetary benefits	Super-annuation benefits	Share-based payments (1)	Termination	Total	Options / Rights related
		$	$	$	$	$	$	%
Directors								
Mr P Hunt Chairman	2022	52,819	-	-	-	-	52,819	0.0
	2021	20,759	-	-	-	-	20,759	0.0
Mr G Chrisp. Non-exec	2022	41,970	-	4,197	-	-	46,167	0.0
	2021	166,513	-	3,325	-	-	169,838	0.0
Mr A J Parker Non-exec	2022	41,970	-	4,197	-	-	46,167	0.0
	2021	35,000	-	3,325	-	-	38,325	0.0
Mr P Cox (2) Non-exec	2022	-	-	-	-	-	-	0.0
	2021	16,042	-	1,524	-	-	17,566	0.0
Mr R Mencel Managing Director	2022	395,000	-	27,500	83,000	-	505,500	16.4
	2021	41,786	-	2,679	5,900	-	50,365	11.7
Total compensation: Directors	2022	531,759	-	35,894	83,000	-	650,653	
	2021	280,100	-	10,853	5,900	-	296,853	
Executives								
Mr A Watts(3) GM Exploration	2022	196,061	-	19,607	-	-	215,668	0.0
	2021	239,419	-	22,745	11,800	-	273,964	4.3
Mr Gerard Bosch Mgr. Approvals	2022	-	-	-	-	-	-	0.0
	2021	134,494	-	12,058	-	-	146,552	0.0
Total compensation: executives	2022	196,061	-	19,607	-	-	215,668	
	2021	373,913	-	34,803	11,800	-	420,516	
Total compensation: KMP	2022	727,820	-	55,501	83,000	-	866,321	
	2021	654,013	-	45,656	17,700	-	717,369	

(1) 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.

(2) Mr Peter Cox was appointed as a director on 28th January 2020.

(3) During the period Mr Watts took leave without pay.

Key Management Personnel Holding of Shares:

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

		Opening Balance	Number Purchased/ Issued	Issued on Vesting	Ceased as KMP	Number Sold	Closing Balance
Graham Chrisp (i)	2022	110,905,672	59,545,454	-	-	-	170,451,126
	2021	110,905,672	-	-	-	-	110,905,672
Mr Robert Mencel (ii)	2022	100,000	1,011,905	-	-	-	1,111,905
	2021	-	100,000	-	-	-	100,000
Dr A J Parker	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Mr Peter Hunt	2022	-	-	-	-	-	-
	2021	-	-	-	-	-	-
Mr Alastair Watts	2022	200,000	976,190	-	-	-	1,176,190
	2021	-	200,000	-	-	-	200,000

(i) Shares are held by Dapop Pty Ltd <The Chrisp CXM A/C> and Australia New Zealand Resources Corporation Pty Ltd both are entities associated with Mr Graham Chrisp. The movement of 59,545,454 shares during the year related to the conversion of the convertible note as previously approved by shareholders. Refer to note 25 for more detail.

(ii) Shares are held by Mrs Georgina Mencel and Mr Robert John Mencel <Tcharlie Family A/C> an entity associated with Mr Robert Mencel. The movement of 1,011,905 shares represents the exercise of 1,000,000 performance rights to shares with the remaining 11,905 shares acquired through participation in the Company's 2022 Pro Rata Rights Issue.

(iii) Shares are held by Mr Alastair Watts and Mr Alastair James Watts & Mrs Sonja Watts <The A & S Watts Family A/C> an entity associated with Mr Alastair Watts. The movement of 976,190 shares were acquired through participation in the Company's 2022 Pro Rata Rights Issue & Placement.

Key Management Personnel Holding of Performance Rights:

The number of performance rights issued during the current and prior years which has been recognised as Director and Key Management Personnel remuneration is shown below:

30th June 2022	Holding at 30th Jun 2021	Issued	Exercised (E) or Lapsed (L)	Holding at 30th Jun 22
2022 Performance Rights				
Mr Robert Mencel	-	3,000,000	(1,000,000)E	2,000,000
Total	-	3,000,000	(1,000,000)	2,000,000

During the year ended 30 June 2022, Mr Robert Mencel was awarded 3 million Performance Rights as approved at the 2021 AGM.

Following their issue, the first tranche of 1,000,000 performance rights vested and were exercised into the equivalent number of ordinary shares. The fair value of the share-based payments was determined based on the market price for the shares as at the grant date.

The first tranche of 1,000,000 performance rights vested and were exercised into the equivalent number of ordinary shares after meeting the following Performance Conditions.

(a) 500,000 vesting upon a continuous period of employment of 12 months with the Company;

(b) 100,000 vesting upon completion of an update of the 2018 Ardmore Project Definitive Feasibility Study;

(c) 100,000 vesting upon securing direct application phosphate rock sales to 3 or more customers;

(d) 200,000 vesting upon securing 2 or more sales/marketing agreements for future Ardmore Project production; and

100,000 vesting upon the Company completing a successful capital raise of $2m or more.

The remaining tranches have the following performance conditions:

Tranche 2, 1,000,000 Performance Rights with a performance period of the financial year ending 2023

(a) 500,000 vesting upon a continuous period of employment of 24 months with the Company;

(b) 300,000 vesting upon shipment of more than 20,000t in trial shipments for Ardmore;

(c) 200,000 vesting upon completion of FEED for 800ktpa process plant for the Ardmore Project.

Tranche 3, 1,000,000 Performance Rights with a performance period of the financial year ending 2024

(a) 250,000 vesting upon a continuous period of employment of 36 months with the Company;

(b) 350,000 vesting upon completing of financial closure for the construction and operation of a 800kt pa Process Plant;

(c) 400,000 vesting upon 80% of production at the Ardmore Project allocated by sales/marketing agreements or off take agreements.

Key Management Personnel Holding of share options:

30th June 2022	Holding at 30th Jun 2021	Issued	Exercised (E) or Lapsed (L)	Holding at 30th Jun 22
2022 Unlisted Options				
Mr Graham Chrisp	-	59,545,454	-	59,545,454
Total	-	59,545,454	-	59,545,454

On the 1st April 2022 the Company advised the market upon that a notice of conversion was received from the convertible note holder. At that time the company converted the convertible note (including all capitalised interest on the convertible note) into 59,545,454 ordinary shares and 59,545,454 free attaching options in accordance with it terms. The movement in options during the period reflects the free attaching options which all have an exercise price of $0.05 per option and an expiry date of 31st December 2023.

Other

Total interest paid or payable on the convertible note held by a related party of Mr Chrisp for the year ended 30 June 2022 was $340,000 of which $30,000 was paid in cash. For the 2021 financial year the interest paid or payable was $10,000 which was settled in cash.

During the year ended 30 June 2021, the company granted shares to two key management personnel (Mr Mencel and Mr Watts). In total 300,000 shares were issued with a total fair value of $17,700. The fair value of the share based payments were determined based on the market price for the shares as at the grant date.

Other than transactions as detailed in Note 18 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.

Other related party transactions:

During the 2021 year, Centrex entered into a convertible securities agreement with Australia New Zealand Resources Corporation Pty Ltd (a director related entity of Graham Chrisp). The effective date of the note was 2 June 2021 being the date the convertible note was issued and the face value of $1,000,000 was received. The interest rate was 12% per annum which accrues and compounds on first day of each calendar month.

On the 1st April 2022 the Company advised the market upon that a notice of conversion was received from the convertible note holder. The company converted the convertible note (including all capitalised interest outstanding) into 59,545,454 ordinary shares and 59,545,454 attaching options in accordance with it terms as approved by shareholders at the Company's 2021 AGM. The total fair value at the date of conversion was $18.934 million.

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.

	2022	2021	2020	2019	2018
Loss attributable to owners of the company	(21,654,584)	(2,626,637)	(19,820,532)	(1,384,316)	(1,139,938)
Dividends paid (per share)	-	-	-	-	-
Share price at 30 June	$0.15	$0.05	$0.03	$0.11	$0.10

End of audited remuneration report.

6. Principal Activity

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

- Phosphate Rock Ardmore mine 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 (loss) for the reporting year, after providing for income tax was:

	2022 $	2021 $
Net loss after income tax	(21,654,584)	(2,626,637)

The net loss for the financial year is inclusive of a once off expense totalling $18.934M relating to the remeasurement to fair value of the convertible note on issue immediately prior to its exercise into ordinary shares. Pursuant to the terms of the convertible note, the note converted to 59,545,454 shares with 59,545,454 attaching options. Given the material movement in the share price of the Company since the convertible note was issued, the fair value uplift of the note was a significant accounting transaction included in the loss for the year.

The Group capitalised expenditure of $9.419 million (2021: $0.919 million) on mineral tenements during the year. Further details can be found in Note 9 to the financial statements.

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

8. Dividends

No dividends were declared during the year or prior year.

9. Events subsequent to year end

On the 16th September 2022 the Company updated the shareholders on recent correspondence with the royalty holder for the Ardmore Phosphate Rock Project. The Company received an invoice for $2 million from Southern Cross Fertilisers Pty Ltd ("SCF"), a wholly owned subsidiary of Incitec Pivot Limited (the Royalty Holder) requesting payment of the $2 million Extension Fee.

The Board has subsequently sought and obtained legal advice regarding the validity of the invoice.

The Company notes that the Royalty Deed includes a dispute resolution clause. The clause includes a requirement for both parties to negotiate in good faith with a view to resolving any dispute within 21 days after the receipt of a dispute notice, which has been submitted by Agriflex.

The Company looks forward to the matter being resolved in good faith and will keep the market informed on any developments.

On the 27th September 2022 the Company issued 20,880,769 Performance Rights to senior executives and employees of the Company under the terms of the Company's Performance Rights Plan. The Performance Rights were issued for no consideration and will not vest unless the performance conditions set by the Board have been satisfied for each tranche for the relevant financial years, being 30 June 2023 (tranche 1), 30 June 2024 (tranche 2) and 30 June 2025 (tranche 3).

10. Likely Developments

The Directors have assessed the status of all of the Group's tenements and believe all tenements have sufficient mineral potential to warrant further exploration. It is noted, however, that substantial advancement of the projects is subject to sufficient finance being raised for all of the Company's projects. Mining is also scheduled to continue at the Ardmore Phosphate Mine in the period at the scheduled production rates.

11. 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.

12. 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.

13. Non-audit services

During the year Grant Thornton, 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, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out below.

	2022 $	2021 $
Audit and review Services	102,486	52,995
Other services	15,927	4,400
Auditors of the company	118,413	57,395

14. Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 22 and forms part of the Directors' Report for the financial year ended 30th June 2022.

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

Mr Robert Mencel
Managing Director

Dated at Adelaide this 30th day of September 2022.

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001

T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Centrex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Centrex Limited for the year ended 30 June 2022, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Year ended 30th June 2022

	Note	2022 $'000	2021 $'000
Revenue	2	214	-
Mining & Crushing - contractor		(236)	-
Other income	2	20	55
Office and administration expenses		(560)	(261)
Consultants and management expenses		(384)	(195)
Directors' fees		(137)	(238)
Employee benefit expenses	2	(1,037)	(122)
Project generation expense		(93)	-
Exploration expenditure – written off	9	(94)	(45)
Depreciation expense		(1)	(12)
Change in fair value of convertible note	25	(18,934)	(1,794)
Other expenses		(50)	-
Results from operating activities		(21,292)	(2,612)
Finance income	2	2	8
Finance costs	2	(365)	(23)
Net finance income		(363)	(15)
Loss before income tax		(21,655)	(2,627)
Income tax benefit	4	-	-
Loss for the period		(21,655)	(2,627)
Other comprehensive income		-	-
Total comprehensive loss for the period		(21,655)	(2,627)
Loss attributable to:			
Owners of the Company		(21,655)	(2,627)
Loss for the period		(21,655)	(2,627)

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	(4.93)	(0.76)
Diluted earnings / (loss) per share	5	(4.93)	(0.76)

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 Financial Position

As at 30th June 2022

	Note	As at	
		30th June 2022 $'000	30th June 2021 $'000
Assets			
Cash and cash equivalents	6	12,848	1,331
Trade and other receivables and other assets	7	476	1
Other financial assets	8	20	860
Other assets - prepayments		79	79
Total Current Assets		13,423	2,271
Other financial assets - deposits held as security	8	510	510
Exploration and Evaluation assets	9	22,298	11,910
Plant and equipment	10	141	-
Total Non-Current Assets		22,949	12,420
Total assets		36,372	14,691
Liabilities			
Trade and other payables	11	2,783	92
Employee benefits		162	10
Total Current Liabilities		2,945	102
Employee benefits		7	-
Provision for rehabilitation	12	1,573	510
Derivative financial instruments	25	-	2,794
Interest bearing loans and borrowings	13	151	-
Total Non-Current Liabilities		1,731	3,304
Total Liabilities		4,676	3,406
Net assets		31,696	11,285
Equity			
Contributed equity	14	74,816	42,564
Share based payments reserve	15	9,815	-
Profit reserve		-	1,005
Accumulated losses		(52,935)	(32,284)
Total equity		31,696	11,285

The Consolidated Statement of Financial 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 2022

	Contributed equity (Note 14) $'000	Share based payment reserve (Note 15) $'000	Profit reserve $'000	Accumulated Losses $'000	Total $'000
Current Period					
Balance at 30th June 2021	42,564	-	1,005	(32,284)	11,285
Loss for the period	-	-	-	(21,655)	(21,655)
Total Comprehensive Income for the Period	-	-	-	(21,655)	(21,655)
Contributions from/to equity owners					
Transfer of Historical Profit Reserve to Accumulated Losses			(1,005)	1,005	
Contributions from equity holders	21,126	-	-	-	21,125
Share issue costs	(1,229)	-	-	-	(1,228)
Share-based payment transactions – refer note 15	12,355	49	-		12,404
Fair value of options issued in conjunction with the exercise of the convertible note – refer note 15		9,766			9,766
Balance at 30th June 2022	74,816	9,815	-	(52,935)	31,696
Prior Period					
Balance at 30th June 2020	41,351	2,648	1,005	(32,305)	12,699
Loss for the period	-	-	-	(2,627)	(2,627)
Total Comprehensive Income for the Period	-	-	-	(2,627)	(2,627)
Contributions from/to equity owners					
Contributions from equity holders	1,209	-	-	-	1,209
Share issue costs	(14)	-	-	-	(14)
Share-based payment transactions	18	(2,648)	-	2,648	18
Balance at 30th June 2021	42,564	-	1,005	(32,284)	11,285

The Consolidated Statement of Changes in Equity 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 2022

	Note	2022 $'000	2021 $'000
Cash flows from operating activities			
Receipts from customers		217	
Other income received		20	55
Payments to suppliers and employees		(1,756)	(979)
Net cash used in operating activities	21(b)	(1,519)	(924)
Cash flows from investing activities			
Expenditure on mining tenements		(7,647)	(717)
Interest received		4	9
Interest and other costs of finance paid		(55)	
Cash transferred (to) / from term deposits		857	332
Net cash used in / (from) investing activities		(6,841)	(376)
Cash flows from financing activities			
Proceeds from issue of equity securities		20,024	1,199
Proceeds from issue of convertible note		-	1,000
Proceeds from exercise of options		1,102	10
Transaction costs relating to issues of equity securities		(1,229)	(15)
Net cash from financing activities		19,897	2,194
Net increase / (decrease) in cash		11,537	894
Cash at the beginning of the year		1,331	437
Cash at the end of the year		12,868	1,331

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 2022

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 2022 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 2022.

a) Statement of Compliance

The financial report is a general purpose financial report, which has been prepared in accordance with Australian Accounting Standards ('AAS's') 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's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the year ended 30 June 2022 the group recognised a loss of $21.655m (2021: $2.627m), had net cash outflows from operating and investing activities of $8.36m (2021: $1.30m), and had accumulated losses of $ 52.935m(2021: $32.284m) as at 30 June 2022. The continuation of the group as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of exploration and other expenditure within available cash resources.

The Directors consider that the going concern basis of accounting is appropriate, as the company has the following options:

- Securing commercial sales agreements for Phosphate Rock;
- The ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue;
- The option of farming out all or part of its assets;
- The option of selling interests in the Company's assets; and
- The option of relinquishing or disposing of rights and interests in certain assets.

In the event that the Company is unsuccessful in implementing one or more of the funding options listed above, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Company will 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.

This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Company not continue as a going concern.

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).

Provision for restoration and rehabilitation - Note 1(m)

The Group assesses its site restoration and rehabilitation provision at each reporting date in accordance with the accounting policy. Significant judgement is required in determining the provision for restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the site.

The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, changes in regulations, price increases, changes in discount rates, the extent of restoration activities and future removal and rehabilitation technologies. When these factors change or become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known. At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes.

Financial instruments - Convertible note

The Group was required to fair value its convertible note at each reporting date utilising appropriate valuation methodologies. The conversion option was considered a derivative liability measured at fair value using observable inputs (Monte Carlo). Immediately prior to the conversion of the convertible note fair value was determined using the Centrex share price as at conversion date and the attaching options using a Black Scholes valuation taking into account observable data and assumptions.

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
- AgriFlex Pty Ltd (previously named Centrex Phosphate 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.

g) Revenue & Other Income

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods or rendering of a service is recognised upon delivery of the goods or service to customers as this corresponds to the transfer of control of the goods and the cessation of all involvement with those goods. All revenue is stated net of goods and services tax (GST).

Direct Application Phosphate Rock Sales - The Group generates revenue from the sale of Phosphate Rock. Revenue from the sale of these goods is recognised when control over the inventory has transferred to the customer.

Control is generally considered to have passed when:

• physical possession and inventory risk is transferred (including via a third-party transport provider arranged by the customer):

• payment terms for the sale of goods can be clearly identified for the transfer of control of the asset

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

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

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 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 Mine site 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 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 have been 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) Convertible Note

Borrowings and other financial liabilities

Financial liabilities are recognised at the fair value of the consideration received, when the group becomes a party to the contractual provisions of the financial instrument. A financial liability is recognised when it is extinguished, discharge, cancelled or expires.

Classification and measurement of financial liabilities

The Group's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transactional costs unless the group designate a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss.

The Group has recognised its convertible note liabilities at FVPL in order to provide the most relevant information to users, and furthermore to keep consistency with initial recognition on inception of these instruments.

Assessments are made at each reporting period in regard to underlying valuation of its liability utilising appropriate valuation methodologies (Monte Carlo) and the share price upon conversion of convertible notes.

y) New standards and interpretations

At the date of authorisation of these financial statements, several new, but not yet effective, standards and amendments to existing standards, and interpretations have been published by the IASB. None of these standards or amendments to existing standards have been adopted early by the Group. Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

The accounting policies applied by the Group in the consolidated financial statements are consistent with those applied in the prior year. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. Standards, interpretations and amendments that apply for the first time in 2022 did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

Notes to the Consolidated Financial Statements (continued)

2. PROFIT FROM CONTINUING OPERATIONS

	2022 $'000	2021 $'000
Finance Income		
Interest income on bank accounts including term deposits	2	8
	2	8

Revenue		
Direct Application Phosphate Rock Sales	214	-
	214	-

Other income		
Government Grant	20	50
Other	-	5
	20	55

Employee Benefit Expenses		
Wages and salaries	749	60
Contributions to defined contribution superannuation funds	134	46
Equity settled share-based payment transactions	132	18
Other employee costs	22	(2)
	1,037	122

Finance costs		
Accrued/Expensed Convertible note interest	340	10
Bank fees/interest	25	13
	365	23

3. AUDITOR'S REMUNERATION

	2022 $	2021 $
Audit and review services	102,486	52,995
Other services – tax compliance	15,927	4,400
Auditors of the company	118,413	57,395

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:

	2022 $'000	2021 $'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	(17)	16
Provisions and accrued expenses	454	145
Exploration and evaluation assets	(4,235)	(1,691)
Interest receivable	-	-
Deferred capital expenses	253	7
Net DTL	(3,545)	(1,523)
Tax losses recognised to the extent of the DTL	3,545	1,523
Reconciliation of effective tax rate		
Loss for the year	(21,655)	(2,627)
Total income tax benefit	-	-
Loss excluding income tax	(21,655)	(2,627)
Prima facie income tax benefit calculated at 25% (2021: 26%)	(5,414)	(683)
Non-deductible expenses	4,767	471
Non-assessable government grants	-	(13)
Tax losses not recognised	647	225
Total income tax benefit	-	-
Unrecognised tax losses at 25% (2021: 26%)	7,523	6,832

The utilisation of losses depends upon the generation of future taxable profits which Centrex believes to be recoverable based on current taxable income projections. Utilisation will also be subject to relevant tax legislation associated with recoupment.

Notes to the Consolidated Financial Statements (continued)

5. EARNINGS PER SHARE

Basic earnings per share

	2022 $'000	2021 $'000
Loss attributable to ordinary shareholders		
Loss for the period	(21,655)	(2,627)
Loss attributable to ordinary shareholders	(21,655)	(2,627)
	Number of Shares	Number of Shares
Weighted average number of ordinary shares		
Issued ordinary shares at beginning of year	367,404,274	315,685,357
Weighted average number of ordinary shares at year end	439,556,542	346,905,611
Earnings per share for continuing and discontinued operations		
Basic earnings / (loss) – cents per share	(4.93)	(0.76)
Diluted earnings / (loss) – cents per share	(4.93)	(0.76)

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 2022 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.

6. CASH AND CASH EQUIVALENTS

	2022 $'000	2021 $'000
Cash at bank and on hand	12,848	1,331
Total cash and cash equivalents	12,848	1,331

7. TRADE AND OTHER RECEIVABLES

	2022 $'000	2021 $'000
Trade Debtors	2	1
GST receivable	474	-
Total receivables and other assets	476	1

8. OTHER FINANCIAL ASSETS

	2022 $'000	2021 $'000
Other Financial Assets		
Cash on deposit	20	860
Deposits held as security	510	510

The Company has a cash-backed bank guarantee facility in place up to a value of $510 thousand. At 30 June the facility was drawn to $510 thousand. The amounts drawn under the facility relate to ML5542 (QLD).

Notes to the Consolidated Financial Statements (continued)

9. 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.

	Cumulative Expenditure to 30th Jun 21	Expenditure 12 months to 30th Jun 22	Increase Rehab Provision to 30th Jun 22	Tenements Impaired to 30th Jun 22	Cumulative Expenditure to 30th Jun 22
	$'000	$'000	$'000	$'000	$'000
Ardmore Phosphate	11,879	9,313	1,063	-	22,255
Northern Territory Phosphate	14	-	-	(14)	-
Goulburn Zinc	7	25	-	(5)	27
Oxley Potassium Nitrate	10	81	-	(75)	16
Total	11,910	9,419	1,063	(94)	22,298

Impairment

The carrying amounts of the Group's exploration and evaluation assets are reviewed at each reporting date, to determine whether any of the following indicators of impairment exists:

• tenure over the tenement area has expired during the period or will expire in the near future, and is not expected to be renewed; or

• substantive expenditure on further exploration for, and evaluation of, mineral resources in the specific area is not budgeted or planned; or

• exploration for, and evaluation of, resources in the specific area have not led to the discovery of commercially viable quantities of resources, and the Group has decided to discontinue activities in the specific area; or

• sufficient data exists to indicate that, although a development is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or from sale.

As a result an exploration impairment of $94,000 was recognised during the year.

10. PLANT AND EQUIPMENT

	2022 $'000	2021 $'000
At cost	143	-
Less accumulated depreciation	(2)	-
Total plant and equipment	141	-

Movement in plant and equipment

	2022 $'000	2021 $'000
Opening balance	-	-
Additions	143	-
Depreciation	(2)	-
Closing balance	141	-

Notes to the Consolidated Financial Statements (continued)

11. TRADE AND OTHER PAYABLES

	2022 $'000	2021 $'000
Trade payables	2,690*	43
Accrued expenses	65	32
Other payables	28	17
Total trade and other payables	2,783	92

Trade and other payables liabilities for trade and other payables are initially recorded at the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Group, and then subsequently at amortised cost. Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short term nature.

*$2.597M relates to the ramp up of operations at Ardmore and the remaining $0.093M to corporate operations.

12. PROVISION FOR REHABILIATION

	2022 $'000	2021 $'000
Rehabilitation – non current	1,573	510
Total provision for rehabilitation	1,573	510

Opening balance	510	510
Revision of provision during the year	1,063	-
Expenditure on rehabilitation during the year	-	-
Closing balance	1,573	510

<u>Revision of rehabilitation and restoration provision</u>

Represents amendments to future restoration and rehabilitation liabilities resulting from changes to the site disturbance during the financial year, initial recognition of new rehabilitation provisions as well as a change in provision assumptions. Key provision assumption changes include reassessment of costs and timing of expenditure. The material increase in the provision for rehabilitation in the current year largely relates to the ground disturbance from the company restarting mining in April 2022. Included in the provision is also the rehabilitation of the tailing cell, ROM pad and access roads.

13. INTEREST BEARING LOANS AND BORROWINGS

	2022 $'000	2021 $'000
Motor vehicle finance	151	-
Total interest bearing loans and borrowings	151	-

Assets with a written down value of $141,000 act as security for these borrowings.

14. SHARE CAPITAL

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.

Issued ordinary shares

	Number of shares	$'000
(a) Issued and paid-up capital		
Fully paid ordinary shares	608,841,721	74,816
	608,841,721	74,816
(b) Movements in fully paid shares		
Opening balance	367,403,090	42,564
Issue of shares via placement (Oct 21)	44,444,445	4,005
Issue of shares upon convertible note conversion (Share Based Payment)	59,545,454	12,272
Issue of shares via placement (April 22)	57,104,593	7,995
Issue of shares via underwritten rights issue	57,314,633	8,024
Issue of shares via unlisted options exercised during the period	22,029,506	1,102
Issue of shares for conversion of performance rights (Share Based Payment)	1,000,000	83
Issue costs	-	(1,229)
Issued ordinary shares at the end of the period	608,841,721	74,816

15. SHARE BASED PAYMENTS & RESERVES

Unlisted Options

59,545,454 unlisted options were issued during the 2022 on the conversion of the convertible note in accordance with the terms. The fair value of the options of $9,765,454 was determined using the Black Scholes methodology. Further information on the options issued can be found in note 25.

Performance Rights

During the year ended 30 June 2022 the group issued 3 million performance rights as approved at the AGM to Managing Director Robert Mencel. Details of the performance criteria are as follows:

- Date issued – 24th December 2021
- Date approved at AGM – 30th November 2021
- Share Based Payment expense recognised in year $49,000
- Fair Value of the Performance rights being $249,000 to be expensed over the vesting period was calculated using the Black Scholes Model

The company granted shares to Managing Director Robert Mencel in line with the performance criteria as approved at the 2021 AGM, in total 1,000,000 shares were issued for $83,000. The fair value of the share based payments were determined based on the market price for the shares as at the grant date.

Performance Rights	Vesting: Performance Conditions	Performance / vesting Period
Tranche 1: 1,000,000	(a) 500,000 vesting upon a continuous period of employment of 12 months with the Company;	Financial year ending 2022

Notes to the Consolidated Financial Statements (continued)

Performance Rights	Vesting: Performance Conditions	Performance / vesting Period
	(b) 100,000 vesting upon completion of an update of the 2018 Ardmore Project Definitive Feasibility Study; (c) 100,000 vesting upon securing direct application phosphate rock sales to 3 or more customers; (d) 200,000 vesting upon securing 2 or more sales/marketing agreements for future Ardmore Project production; and (e) 100,000 vesting upon the Company completing a successful capital raise of $2m or more.	
Tranche 2: 1,000,000 Performance Rights	(a) 500,000 vesting upon a continuous period of employment of 24 months with the Company; (b) 300,000 vesting upon shipment of more than 20,000t in trial shipments for Ardmore; (c) 200,000 vesting upon completion of FEED for 800ktpa process plant for the Ardmore Project.	Financial year ending 2023
Tranche 3: 1,000,000 Performance Rights	(a) 250,000 vesting upon a continuous period of employment of 36 months with the Company; (b) 350,000 vesting upon completing of financial closure for the construction and operation of a 800kt pa Process Plant; (c) 400,000 vesting upon 80% of production at the Ardmore Project allocated by sales/marketing agreements or off take agreements.	Financial year ending 2024

Performance Rights

The share based payments reserve is used to recognise the fair value of all performance rights. The movement during the financial year was as set out below:

	Number of rights	$ $'000
Opening balance as at 1 July 2021	-	-
Issued	3,000,000	132
Exercised	(1,000,000)	(83)
Lapsed	-	-
Performance rights balance at end of period	2,000,000	49

Share options

The share based payments reserve is used to recognise the fair value of options issued as share based payments. The movement during the financial year was as set out below:

	Number of options	$ $'000
Opening balance as at 1 July 2021	40,678,400	-
Issued on conversion of the convertible note	59,545,454	9,766
Exercised	(22,029,506)	-
Lapsed	-	-
Unlisted options balance at end of period	78,194,348	9,766
Total Share Based Payment Reserve		9,815

Notes to the Consolidated Financial Statements (continued)

The options relating to the opening balance and those exercised during the year are free attaching options which were granted as part of capital raises undertaken and were for nil consideration

The following share rights were outstanding as at 30th June 2021:

	As at 30th June 2021
	2019 Performance Rights
Expiry date	26/09/2020
Vesting date	26/08/2020
Share Price Required to Vest:	$0.17
Rights on issue at start of year	1,310,000
Rights issued during the year	-
Rights exercised during the year	-
Rights expired during the year	(1,310,000)
Rights on issue at end of year	-

The 2019 performance rights were issued as part of the Company's Long Term Incentive Plan. The remaining rights at 1 July 2020 were granted on 27 August 2018 and valued using an appropriate valuation methodology at grant date with fair value of 6.81 cents per performance right. The remaining rights expired unvested on 26 September 2020.

16. 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 2022 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 2022 the Group had $0.530 million invested in such deposits (2021: $1.370 million). The Group does not use derivatives to mitigate these exposures.

Sensitivity Analysis

For the year ending 30th June 2022, a 1 percent increase in the effective interest rate would have resulted in an increase in profit of $0.05 million (2021: $0.014 million).

(c) Credit risk exposures

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.

(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.

(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.

17. LEASES

Lease rentals are payable/receivable as follows:

	2022 $'000	2021 $'000
Payable to third parties		
Less than one year	-	-
Between one and five years	-	-
More than five years	-	-
Expensed during the year	28	28

Lease rentals relate to corporate and site office and accommodation. At the end of the reporting period, the Company had a lease relating to its Corporate office. The lease officially ended in 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. This meets the definition of a short-term lease. The lease amount payable per month is $2.5 thousand.

18. RELATED PARTIES

The key management personnel compensation is as follows:

	2022 $'000	2021 $'000
Short-term employee benefits	728	654
Other long-term benefits	55	45
Termination benefits	-	-
Executive share options benefits	83	18
Employee benefits	866	717

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.

During the 2021 year, Centrex entered into a convertible securities agreement with Australia New Zealand Resources Corporation Pty Ltd (a director related entity of Graham Chrisp). The effective date of the note was 2 June 2021 being the date the convertible note was issued and the face value of $1,000,000 was received. The interest rate was 12% per annum which accrues and compounds on first day of each calendar month. The convertible notes allowed for conversion into shares at $0.022 each with a free attaching option with an exercise price of $0.05.

On the 1st April 2022 the Company advised the market upon that a notice of conversion was received from the convertible note holder. Pursuant to the terms of the convertible note, the company converted the convertible note(including all capitalised interest on the outstanding loan) into 59,545,454 ordinary shares and 59,545,454 attaching options in accordance with it terms. The total fair value at the date of conversion was $18.934 million.

Pursuant to the conditions of the convertible note, total interest accumulated on the convertible note was $340,000 of which $30,000 was paid in cash during the year leaving $310,00 subject to share and option settlement.

In 2021 total interest of $10,000 was accrued and paid with respect to the convertible note.

19. 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.

20. 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:

	2022 $'000	2021 $'000
Ardmore (QLD) - Phosphate		
Tenements with annual commitments	200	9
Goulburn (NSW) – Zinc		
Tenements with annual commitments	-	675*
Oxley (WA) – Potassium Nitrate		
Tenements with annual commitments	152	-

* 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 2022 the Group had no other commitments (2021: NIL).

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% -3.5% gross revenue royalty secured by a registered mortgage over the mining lease (ML 5542). The first ranking security over ML 5542 also secures other monetary and non-monetary obligations associated with the agreements including:

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

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

21. 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	2022 $'000	2021 $'000
Cash and cash equivalents	12,848	1,331

(b) Reconciliation of cash flows from operating activities

	2022 $'000	2021 $'000
Loss after income tax	(21,655)	(2,627)
Interest income		(8)
Depreciation	1	12
Performance rights expense	132	18
Exploration expenditure written off	94	45
Change in fair value of convertible note	18,934	1,794
Other		(55)
(Increase) / decrease in debtors	(475)	107
Increase / (decrease) in provisions	1,222	(79)
Increase / (decrease) in payables	(2,691)	(131)
Increase / (decrease) in payables for investing activities	2,919	
Net cash used in operating activities	(1,519)	(924)

22. 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;
- AgriFlex Pty Ltd (previously named Centrex Phosphate 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)

23. SEGMENT REPORTING

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

24. PARENT ENTITY DISCLOSURES

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

	Company	
	2022 $'000	2021 $'000
Result of the parent entity		
Profit / (Loss) for the period	(30,121)	(2,581)
Other comprehensive income	-	-
Total comprehensive income / (loss) for the period	(30,121)	(1,355)
Financial position of the parent entity		
Current assets	13,932	2,583
Non current assets	142	
Total assets	14,074	2,583
Current liabilities	2,945	3,407
Non current liabilities	7	
Total liabilities	2,952	3,407
Net assets	11,122	(824)
Equity of the parent entity		
Contributed equity	74,816	42,564
Share options issues	9,815	-
Accumulated losses	(73,509)	(43,388)
Total equity	11,122	(824)

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 20.

25 DERIVATIVE FINANCIAL INSTRUMENTS

	Company	
	2022 $'000	2021 $'000
Convertible notes payable - shares	-	1,565
Convertible notes payable - options	-	1,229
Total comprehensive income / (loss) for the period	-	2,794

	2022 $'000	2021 $'000
Opening balance	2,794	-
Issue of Convertible Note Face Value	-	1,000
Convertible note interest accrued	340	10
Convertible note interest paid	(340)	(10)
Fair Value movement in period	18,934	1,794
Convertible Note conversion to shares and options	(21,728)	-
Closing balance	-	2,794

On the 26th February 2021 at the Company's AGM, shareholders approved the issue of the convertible note to Australia New Zealand Resources Corporation Pty Ltd (a director related entity of Graham Chrisp). At the time of the shareholder approval it was outlined that the maximum number of shares that could be issued on conversion of the note assuming no interest payments were made during the term of the note was 63,770,882 shares and 63,770,882 free attaching options with a $0.05 exercise price expiring 31st December 2023.

The key terms of the Note as outlined in the notice of meeting at the date of approval were as follows:

- the Note matures on 31 December 2023, unless conversion is exercised sooner;
- the Note has a notional face value of $1.0 million;
- the Note carries a coupon rate of 12% per annum in respect of the amount outstanding, if not paid, then accrued and compounding on the first day of each calendar month;
- the conversion price (and base price) of $0.022 per share;
- the total amount outstanding at any point in time is the outstanding face value of $1.0 million plus the addition of any accrued interest;
- Australia New Zealand Resources Corporation Pty Ltd and/or nominee (the Subscriber) at its sole discretion may advise in writing that the interest for the last calendar month may deem to be unpaid, in which case the interest will be capitalised and become part of and be treated as the amount outstanding;
- Centrex must have provided a registered security over the assets of the Company in a form satisfactory to the Subscriber and, at the sole cost of the Company, securing performance of the Company's obligations under the agreement;
- the Note is convertible at the election of the Subscriber on any date leading up to, and including, the maturity date into Centrex shares at the conversion price of $0.022. The Subscriber may specify the amount to be converted in the conversion notice;
- in the event that a conversion notice is issued prior to the maturity date the conversion amount shall be adjusted to include the aggregate amount of interest that would have been payable on the conversion amount of the Note through to the conversion date, if the conversion amount had not been converted, and the Company had made all payments of interest as they fell due;
- should there still be an amount outstanding at maturity Centrex shall pay an amount equal to the amount outstanding to the Subscriber or its nominee;
- if the Company makes a capital raising of more than $4.0 million within any period of three months, the Subscriber will thereafter have the right to require the Company to forthwith repay either part or all of the amount outstanding of the Note forthwith;
- if a change of control of the Company occurs at any time, the Subscriber will thereafter have the right to require the Company to forthwith repay either part or all of the amount outstanding of the Note forthwith;
- providing Centrex has fulfilled its obligations in registering a security interest over the assets of the Company, nothing in the CSA shall require the Company to make payments to the Subscriber where such payments would expose the Company to a lack of liquidity or to insolvency in which case the Subscriber shall be entitled to rely on a non-recourse basis on the security proposed to be provided;
- If the daily Volume Weighted Average Price (VWAP)per share is less than the conversion price of $0.022 on any trading day during the term, the Subscriber may either terminate the CSA effective immediately or convert all or any part of the Note into shares at the current VWAP; • if an event of default occurs which is not remedied, the Subscriber may: declare the amount outstanding and all other amounts payable to be immediately due and payable in immediately available funds; and/or exercise its conversion rights; and

- the Note is unlisted but can be assigned to any affiliate, bank or financial institution, any successor entity in connection with a merger or consolidation, and/or any acquirer of a substantial portion of the Subscriber's business and/or assets.

Initial recognition

At initial recognition the Group assessed AASB 9 and determined that the notes were derivative in nature as all characteristics under this section were met. The fixed for fixed test per AASB 9 was then consequently assessed to determine whether the notes were of an equity or liability in nature.

Pursuant to the terms of the note, if the daily VWAP is less than Base price of $0.022 at any time during the term of the agreement, the conversion price reduces to that VWAP. The variable nature of the conversion price and hence number of shares issued on conversion, indicates that the fixed for fixed test as noted above was failed and notes have been recognised as a financial liability within the scope of AASB 9.

Subsequent recognition

At 30 June 2021, the Group valued the conversion feature using Monte Carlo valuation methodology and the conversion options using a Black Scholes model. The models calculate the convertible notes value using the following inputs:

• valuation date – 30 June 2021
• share price at valuation date- $0.048
• expiry date- 31 December 2023
• risk free rate- 0.14%
• company-specific volatility – 100%
• strike price- $0.05; and
maximum expected life- 2.5 years.

The fair value of the conversion feature and options was $2.794 m as at 30 June 2021. The change in fair value of conversion was recognised in statement of profit loss during the year amounting to $1.794 m.

Current year

On the 29 September 2021 notice was produced by the note holder to defer payment of the interest coupon, which triggered accrual and compounding effect of the to the face value of the note. In total a further $340,000 in interest was accrued in the year to 30 June 2022 with $30,000 being settled in cash.

On 1st April 2022, the Company advised the market that it had received a notice of conversion from the convertible note holder. Pursuant to the terms of the convertible note, the company converted the convertible note (including all capitalised interest on the outstanding loan) into 59,545,454 ordinary shares and 59,545,454 attaching options in accordance with it terms. The 59,545,454 shares and equal number of options was attributed to the note as follows:

- 45,454,545 shares on conversion of the face value of the convertible note ($1,000,000)
- 14,090,908 shares relating to capitalised interest on the convertible note ($310,000)

The fair value of the ordinary shares at conversion were determined using the closing share price on 1 April 2022 totalling $12,272,000. This amount was transferred from derivative liability to share capital.

The convertible note options were measured at fair value utilising a Black Scholes valuation model and totalled $9,766,000. This amount was transferred from derivative liability to the share based payment reserve.

The following inputs were utilised to value the components as at the conversion date:

- valuation date – 1 April 2022
- share price at valuation date- $0.2061
- expiry date- 31 December 2023
- risk free rate- 2.15%
- company-specific volatility – 68%
- strike price- $0.05; and

maximum expected life- 1.75 years.

26. EVENTS SUBSEQUENT TO BALANCE DATE

On the 16th September 2022 the Company received correspondence from the royalty holder for the Ardmore Phosphate Rock Project.

The Company received an invoice from Southern Cross Fertilisers Pty Ltd ("SCF"), a wholly owned subsidiary of Incitec Pivot Limited (the Royalty Holder) requesting payment of the Extension Fee.

The Board has subsequently sought and obtained legal advice regarding the validity of the invoice.

The Company notes that the Royalty Deed includes a dispute resolution clause. The clause includes a requirement for both parties to negotiate in good faith with a view to resolving any dispute within 21 days after the receipt of a dispute notice, which has been submitted by Agriflex.

The Company looks forward to the matter being resolved in good faith and will keep the market informed on any developments.

On the 27th September 2022 the Company issued 20,880,769 Performance Rights to senior executives and employees of the Company under the terms of the Company's Performance Rights Plan. The Performance Rights were issued for no consideration and will not vest unless the performance conditions set by the Board have been satisfied for each tranche for the relevant financial years, being 30 June 2023 (tranche 1), 30 June 2024 (tranche 2) and 30 June 2025 (tranche 3).

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 23 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 2022 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 2022 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 Robert Mencel

Dated at Adelaide this 30th day of September 2022

Grant Thornton

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Independent Auditor's Report

To the Members of Centrex Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Centrex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the 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, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2022 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of 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 (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(b) in the financial statements, which indicates that the Group incurred a net loss of $21,655,000 during the year ended 30 June 2022 and cash outflows from operating and investing activities of $8,360,000. As stated in Note 1 (b), these events or conditions, along with other matters as set forth in Note 1(b), indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Exploration and evaluation assets - Note 9	
At 30 June 2022 the carrying value of exploration and evaluation assets was $22,298,000. In accordance with AASB 6 *Exploration for and Evaluation of Mineral Resources*, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value. The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement. This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.	Our procedures included, amongst others: • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; – tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed; – enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure; – understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale; • assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; • evaluating the competence, capabilities and objectivity of management's experts in the evaluation of potential impairment triggers; and • assessing the appropriateness of the related financial statement disclosures.

Key audit matter	How our audit addressed the key audit matter
Derivative Financial Instruments – Note 25	
In June 2021, the Group issued convertible notes to a Director related entity with a face value of $1,000,000 following shareholder approval. Accordingly, management were required to consider the classification of the notes and their fair value in accordance with AASB *132 Financial Instruments: Presentation* and AASB 9 *Financial Instruments*, respectively. The convertible note was converted including accrued and unpaid interest on 1 April 2022 which required a remeasurement to fair value as at that date. The assessments associated with the classification and measurement of the instrument can be complex and involve significant management judgement. This is a key audit matter due to management judgements and valuation complexities of the instruments.	Our procedures included, amongst others: • obtaining the convertible note agreement to understand the terms and conditions of the convertible notes; • assessing the appropriateness of management's classification of the financial instruments in accordance with AASB 132 and AASB 9; • assessing management's conclusions on identification of the separate components implied within the instrument; • evaluating reasonableness of fair value assigned to each component as the conversion date of the instrument; • reviewing the independent legal advice received by management in relation to the conversion of the note and the number of equity instruments issued; • ensuring mathematical accuracy of managements valuation as at conversion date; and • assessing the adequacy of disclosures in the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2022 but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors' for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor’s report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in Directors’ report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of Centrex Limited, for the year ended 30 June 2022 complies with section 300A of the Corporations Act 2001.

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2022

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	30th September 2022	
		Units	% of Issued Capital
1	DAPOP PTY LTD <THE CHRISP CXM A/C>	110,905,672	18.168%
2	AUSTRALIA NEW ZEALAND RESOURCES CORPORATION PTY LTD	59,545,454	9.754%
3	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	40,399,599	6.618%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,536,015	3.855%
5	HONGMEN PTY LTD <HONGMEN FAMILY A/C>	21,900,000	3.587%

Distribution of equity holders

Name	30th September 2022	
	Fully paid ordinary and escrow shares	Employee options / rights plan
1 – 1,000	95	-
1,001 – 5,000	266	-
5,001 – 10,000	523	-
10,001 – 100,000	1,296	-
100,001 and over	569	13
	2,749	13

At 30th September 2022 there were 2,749 holders of a total of 610,453,479 fully paid ordinary shares and there were 75 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	30th September 2022	
		Units	% of Issued Capital
1	DAPOP PTY LTD <THE CHRISP CXM A/C>	110,905,672	18.168%
2	AUSTRALIA NEW ZEALAND RESOURCES CORPORATION PTY LTD	59,545,454	9.754%
3	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	6.618%
4	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	23,536,015	3.855%
5	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	3.587%
6	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	18,000,000	2.949%
7	CITICORP NOMINEES PTY LIMITED	13,701,836	2.245%
8	HONGMEN PTY LTD <HONGMEN FAMILY A/C>	12,080,000	1.979%
9	MISS MENGJIAO ZHAO	6,867,500	1.125%
10	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	6,182,078	1.013%
11	VINGO HOLDINGS LTD	5,535,000	0.907%
12	MR MELVIN BOON KHER POH	4,382,404	0.718%
13	CS FOURTH NOMINEES PTY LIMITED <HSBC CUST NOM AU LTD 11 A/C>	3,866,570	0.633%
14	MR EWE GHEE LIM & MISS CHARLENE YULING LIM	3,750,000	0.614%
15	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	3,578,826	0.586%
16	MR DIETER URMERSBACH & MRS ROSMARIE URMERSBACH	3,146,301	0.515%
17	JARHAMCHE PTY LTD	3,050,070	0.500%
18	MRS JULIE AVOTINS	2,555,700	0.419%
19	JAMARI PTY LTD <JAMARI P/L STAFF SUPER A/C>	2,500,000	0.410%
20	MR YAM POEY CHEW	2,500,000	0.410%
		350,483,025	57.414%

Company Directory

Board of Directors

Mr Peter Hunt – Chairman

Mr Robert Mencel – Managing Director

Mr Graham Chrisp – Non-executive Director

Dr A John Parker - Non-executive Director

Company Secretary

Mr Jonathan Lindh

Principal Registered Office

Centrex Limited

Level 6, 44 Waymouth Street

Adelaide SA 5000

08 8213 3100

08 8231 4014

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Locations of Share Registries

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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

Grant Thornton Audit Pty Ltd

Grant Thornton House

Level 3, 170 Frome Street

Adelaide SA 5000