



ASX ANNOUNCEMENT

25 November 2022

IN PRINCIPLE AGREEMENT TO SETTLE EXTENSION FEE CLAIM

Centrex Limited (ASX: CXM) ("Company") is pleased to announce that its 100% owned subsidiary Agriflex Pty Ltd (**Agriflex**) has reached an in principle agreement to settle the dispute with Southern Cross Fertilisers Pty Ltd (**SCF**) over their extension fee claim under the Royalty Deed (**Settlement**).

Background

As previously announced, the Royalty Deed with SCF includes an extension fee clause requiring Agriflex to pay an annual A\$2m (plus GST) extension fee (**Extension Fee**) to SCF during the "Extension Period".

The Extension Fee is payable on the first day of the Extension Period and on each anniversary thereafter until the end of the Extension Period, with the Extension Fee being attributable to the next 12 months after the due date of payment. The Extension Period does not commence if "Mining" commenced before 27 June 2022.

If "Mining" commences at any time within the 12 month period, SCF is required to repay the portion of the Extension Fee attributable to the period after commencement.

In-principle Agreed Terms

Under the terms of the Settlement, the parties have agreed to refer the question of if "Mining" commenced (and if so, when) under the Royalty Deed to a suitably qualified expert with the determination of the expert to be final and binding on the parties.

Further, Agriflex has agreed to supply phosphate rock to SCF equal to the value of A\$500,000 as collateral. The value of the phosphate rock will be applied towards/offset against any amount owing to either party as a consequence of the decision of the expert.

To allow time to document the in-principle terms agreed above, the parties have agreed to extend the negotiation period for a further 7 days.

The Company will provide further update on any developments including the decision of the appointed expert.

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

For further information please contact:

Robert Mencil
Managing Director
Centrex Limited
Ph (08) 8213 3100

Jonathan Lindh
Company Secretary
Centrex Limited
Ph (08) 8213 3100

For media enquiries, please contact:

Grant Law
Grant Law Public Relations
Ph (61) 488 518 414

Email - grant@grantlaw.com.au