



ASX ANNOUNCEMENT

2nd November 2023

CENTREX ENTERS INTO MOU WITH CLEVELAND BAY CHEMICAL COMPANY

Centrex Limited (ASX: CXM) ('Centrex' or 'the Company') is pleased to provide the following update for the Company's wholly owned subsidiary, Agriflex Pty Ltd, ('Agriflex').

Agriflex has entered into a Memorandum of Understanding ('MOU') with Cleveland Bay Chemical Company Pty Ltd ('Cleveland'), to explore value added processing opportunities for the Company's high-grade and low-grade rock phosphate products. The MOU will initially focus on exploring the feasibility of manufacturing Dicalcium Phosphate (DCP) for use in animal feed or direct application fertiliser.

It is envisioned that Agriflex's granular apatite product can be utilised by Cleveland's Townsville processing facility for the purposes of expediting DCP production studies. These anticipated DCP production studies will build upon prior testwork conducted by the Company, which has shown that Ardmore phosphate products are capable of producing high-quality DCP.

In addition to DCP, the MOU also encompasses the potential research of DCP by-products, including Monocalcium Phosphate (MCP) and Monodicalcium Phosphate (MDCP). Meat & Livestock Australia (MLA), the primary livestock organization in Australia, has undertaken extensive educational and R&D initiatives to tackle subclinical phosphorus deficiency in Northern regions of the country. This effort has led to a growing interest among cattle farmers who have expressed interest in utilising MDCP.

MANAGEMENT COMMENTARY

Robert Mencil, CEO and Managing Director of Centrex Ltd, commented:

"We are delighted to enter into an MOU with Cleveland Bay Chemical Company, who have an extensive history in producing top-quality chemical products. We see strong potential to capitalise on emerging agricultural markets within Australia by leveraging the Company's high-quality rock phosphate product with Cleveland's advanced processing capabilities. This MOU serves as yet another example of how Ardmore's superior product quality can potentially capture markets with higher sales margins. We look forward to collaborating with Cleveland on this exciting opportunity while we maintain our production scaling efforts at Ardmore, aiming to reach 440,000 tons for the calendar year 2024."

Geoff Whebell, Managing Director of Cleveland Bay Chemical Company, commented:

"Cleveland Bay Chemical Company is pleased to partner with Centrex to develop value added products from their high quality local mineral resource. This MOU further demonstrates our commitment as a regional manufacturer to value adding local raw materials and building greater capability in North Queensland. Phosphate has long been a critical mineral of interest to us and we see great opportunities working together to realise the full potential of Ardmores exceptional resource."

BACKGROUND INFORMATION

THE EMERGING NEED FOR MCP, DCP, MDCP

Phosphorus (P) is crucial for cattle, yet many regions in northern Australia face significant nutritional limitations due to phosphorus deficiency. This results in reduced herd efficiency and profitability, with only 7% of northern Australia's producers effectively supplementing phosphorus in areas with subclinical deficiency. Severe phosphorus deficiency manifests in behaviours like bone chewing, fractures, peg-leg formation, poor breeder body condition, and increased susceptibility to botulism. Incorporating phosphate products such as MDCP into cattle feed is considered an effective strategy to prevent these issues while also boosting producer profitability.

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

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