



ASX ANNOUNCEMENT

7 November 2023

ARDMORE PHOSPHATE PROJECT STAGE 1.5 EXPANSION - UPDATE

Centrex Limited (ASX: CXM) (“Centrex” or the “Company”) is pleased to provide the following update for the Stage 1.5 Expansion of the Ardmore Phosphate Mine (“Ardmore”). Once completed, the Stage 1.5 Expansion will result in Ardmore reaching a production capacity of 625ktpa of beneficiated phosphate concentrate.

Stage 1.5 Capital Expenditure

The Company is pleased to announce that the budgeted capital expenditure to complete the Stage 1.5 Expansion has been significantly reduced, to A\$17.6m¹. This represents a reduction of A\$8.1m, or 32%, from the previously estimated Stage 1.5 capital expenditure of A\$25.7m^{1,2}.

Below is a breakdown of the revised capital expenditure:

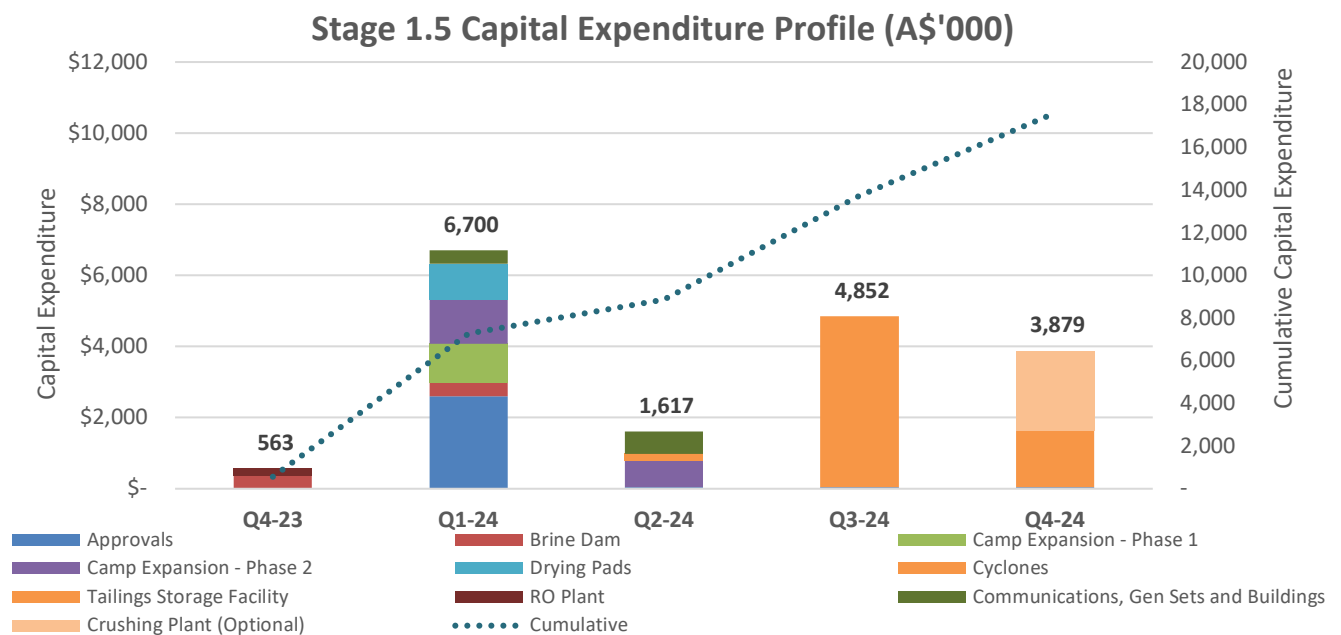
Table 1: Revised Stage 1.5 Capital Expenditure Budget

Item	Amount	Indicative Timing
Brine Dams (Waste Disposal)	\$0.75m	Q4 CY2023 – C1 CY2024
Reverse Osmosis Plant	\$0.19m	Q4 CY2023
Camp Expansion Phase 1	\$1.10m	Q1 CY2024
Drying Pads	\$1.00m	Q1 CY2024
Approvals	\$2.70m	Q1 CY2024
Camp Expansion Phase 2	\$2.00m	Q1 – Q2 CY2024
Cyclones	\$0.20m	Q2 CY2024
Communications, Gensets & Buildings	\$1.00m	Q1 – Q2 CY2024
Tailing Storage Facilities	\$6.42m	Q3 – Q4 CY2024
Crushing Plant (Final Payment)	\$2.24m	Q4 CY2024
Total	\$17.6m	

¹ Figure provided represents estimate before including contingencies.

² See Centrex ASX Announcement 23 November 2022.

Figure 1: Revised Stage 1.5 Capital Expenditure Profile



Operating Costs

Upon completion of the Stage 1.5 expansion, the Company estimates that its All In Sustaining Costs ('AISC') will be in the range of A\$160 – A\$180 per tonne of phosphate concentrate.

Stage 1.5 Project Development Update

The 2021 Definitive Feasibility Study ('DFS')³ contemplated annual concentrate production of 800ktpa with an estimated pre-production capital expenditure of A\$72.6 million. The upgraded production to 800ktpa is now referred to as 'Stage 2'.

The Stage 1.5 Project has been designed as an interim step towards Stage 2, targeting 625ktpa of annual production, which represents ~80% of the production output of Stage 2, while requiring significantly less capital.

The Stage 1.5 Project became possible due to the exceptional performance of the Ardmore Beneficiation Plant, which has consistently exceeded design throughput and metallurgical design performance criteria. All Stage 1.5 components feature conventional machinery and locally sourced materials, further reducing the expansion's overall cost and complexity.

The reduction in spending on Stage 1.5 capital items is mainly attributable to ongoing project optimisation, leading to a refined capital expenditure profile. The initial capital expenditure is \$8.8m¹ with a further \$8.8m¹ scheduled in Q3-24 onwards, allowing the option for Ardmore to fund some of the back ended capital expenditure from existing free cash flow.

Furthermore, Centrex has been able to utilise its Stage 1 operating cash flows, previously raised equity capital and hire purchase financing of the new crushing circuit to partially fund the capital expenditure of Stage 1.5 Project incurred to date.

The Stage 1.5 development scope involves upgrading existing non-processing infrastructure. Centrex has completed engineering assessments and designs for mining, ore crushing, concentrate drying, and

³ See Centrex ASX Announcement 12 August 2021.

process plant improvements, as well as finishing procurement workstreams and execution schedules.

Funding

Centrex are in advanced discussions regarding the financing of the expansion and will keep the market updated in accordance with its continuous disclosure obligations.

Management Commentary

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

“The Stage 1.5 expansion remains a highly capital-efficient and attractive development pathway for Ardmore. The reduction in capital expenditure compared to last year’s guidance is truly significant when considering the broader inflationary forces at play across the entire mining sector. The Stage 1.5 Project has attracted a substantial amount of interest from financiers, and financing discussions are progressing well.”

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

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About Centrex Limited

Centrex Limited is looking to secure Australasia’s sustainable agriculture future through the exploration and development of its wholly owned Ardmore Phosphate Project and Oxley Potash Project. The products from both projects are necessary ingredients for global food production and human nutrition. The Centrex Limited fertiliser projects are located near to established energy and transport infrastructure that are necessary for access to established agricultural markets. The Company is also continuing its copper-gold-base metal exploration projects near Goulburn in the Lachlan Fold Belt in New South Wales.

Past and future performance –This Announcement contains forward looking statements. Forward-looking statements generally relate to current expectations, hopes, beliefs, intentions, strategies or productions about future events or Centrex's future financial or operating performance. For example, statements regarding anticipated growth in the industry in which Centrex operates and anticipated growth in demand for Centrex's products and services, projections of Centrex's future financial results and other metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "pro forma", "may", "should", "could", "would", "might", "plan", "possible", "project", "strive", "budget", "targets", "aims", "outlook", "guidance", "forecast", "expect", "intend", "will", "estimate", "anticipate", "believe", "perceives", "predict", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that a statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements.

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