



CENTREX

ASX ANNOUNCEMENT

12th March 2024

**ARDMORE PHOSPHATE MINE
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”), 100% owned by its wholly owned subsidiary, Agriflex Pty Ltd (‘Agriflex’).

STAGE 1.5 EXPANSION UPDATE

The Company is pleased to announce an update on the progress of the Stage 1.5 expansion works as detailed in previous ASX announcements¹. Funding for the Stage 1.5 Expansion has been secured from the share placement in Q1 CY2024² and the A\$10 million National Australia Bank (“NAB”) Financing Package³.

STAGE 1.5 EXPANSION - 2024 SCHEDULE

The schedule illustrated below (Table 1) provides the percentage complete for each 2024 item along with the total project, which are both based on effort to date. A revised Stage 1.5 2024 Capital Expenditure table (Table 2) is also provided on the following page.

Table 1: Stage 1.5 2024 Schedule.

| ID | Task Name | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|----|-------------------------------------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1 | Brine Dam (Waste Disposal) | 100% | | | | | | | | | | | |
| 2 | Reverse Osmosis Plant | 14% | | | | | | | | | | | |
| 3 | Camp Expansion Phase 1 | | 36% | | | | | | | | | | |
| 4 | Drying Pads | | | | | | | 19% | | | | | |
| 5 | Approvals | | | | | | | 32% | | | | | |
| 6 | Camp Expansion Phase 2 | | | | | 8% | | | | | | | |
| 7 | Cyclones | | | 43% | | | | | | | | | |
| 8 | Drilling | | | | | | | | | | 5% | | |
| 9 | Communications, Gensets & Buildings | | | | | 11% | | | | | | | |
| 10 | Vehicles | | | 8% | | | | | | | | | |
| 11 | Tailing Storage Facilities | | | | | | | 13% | | | | | |
| 12 | Crushing Plant | | | | 25% | | | | | | | | |
| 13 | Crushing Plant (Final Payment) | | | | | | | | | 0% | | | |
| 14 | Total Project | | | | | | | 31% | | | | | |

¹ See Centrex ASX Announcement 7 November 2023.

² See Centrex ASX Announcement 8 February 2024.

³ See Centrex ASX Announcement 29 February 2024.

REVISED STAGE 1.5 2024 CAPITAL EXPENDITURE

Table 2: Revised Stage 1.5 2024 Capital Expenditure ⁴

| Item | November 2023 Capital Expenditure | Capital Expenditure | Indicative Timing | Status |
|-------------------------------------|--|------------------------|----------------------|---|
| Brine Dam (Waste Disposal) | \$0.75m | \$0.36m | Completed | Completed March 24. |
| Reverse Osmosis Plant | \$0.19m | \$0.25m | Q2 CY2024 | Delayed to Q2 2024. No impact on operations. |
| Camp Expansion Phase 1 | \$1.10m | \$0.88m | Q2 CY2024 | Completion in April 2024. |
| Drying Pads | \$1.00m | \$1.25m | CY2024 | Planning underway. |
| Approvals | \$2.70m | \$1.61m | CY2024 | \$0.7m due March 2024, balance deferred. |
| Camp Expansion Phase 2 | \$2.00m | \$1.22m | H1 CY2024 | Scope reduced. |
| Cyclones | \$0.20m | \$0.20m | Q2 CY2024 | On Track. |
| Drilling | - | \$1.72m | Q4 CY2024 | Northern pit resource and metallurgical, water drilling and monitoring bores. |
| Communications, Gensets & Buildings | \$1.00m | \$1.82m | CY2024 | Scope updated to include contractors' warehouse and other buildings. |
| Vehicles | - | \$0.44m | CY2024 | Service Truck and other sundry vehicles. |
| Tailing Storage Facilities ("TSF") | \$6.42m | \$2.53m | CY2024 | Ex-pit TSF Deferred to 2025. Dam #4 and #5 required. |
| Crushing Plant | - | \$0.48m | CY2024 | Conversion to front end loader feed, spares and access ramps. |
| Crushing Plant (Final Payment) | \$2.24m | \$2.24m | Q4 CY2024 | On Track – part of NAB package. |
| Total | \$17.6m | \$15.0m | | |

⁴ Figures provided represents estimate before including contingencies. Does not include potential processing plant upgrades that may be required to get to 625ktpa, such as additional washing, screening or classification.

BRINE DAM (WASTE DISPOSAL)

The construction of the brine dam has been finished ahead of schedule and on budget. It has been operational since late February 2024, serving as the Ardmore Mine's primary waste disposal dam, and this is expected to continue until mid-2024. The associated earthmoving costs for the Brine Dam have been treated as operating costs due to the ore contained in the dam. The November 2023 estimate assumed that the majority was waste and would therefore be capitalised. The final earthmoving costs are currently being finalised.



Figure 1: Brine dam nearing completion.



Figure 2: Brine dam commencing operation.

REVERSE OSMOSIS PLANT

A preferred supplier for the reverse osmosis plant has been determined with the plant being financed under the NAB package. A 3-month lead time will see the plant installed in late Q2 2024. This delay has no material impact on operations with alternate water sources available in the short term.

DAJARRA CAMP EXPANSION PHASE 1

A substantial portion of the Ardmore ramp-up relies on expanding the workforce to introduce a night shift. This necessitates additional accommodation due to the site currently operating only during the day. The Dajarra Camp Expansion Phase 1 involves the purchase and installation of an additional four dongas each containing four rooms. These units have been purchased and mobilisation planning from the Brisbane factory is underway. These units include solar power generation to reduce the Ardmore Mine's overall environmental impact. The installation of the units will commence in March 2024 and are expected to be completed in early April 2024.



Figure 3: Accommodation donga in storage.



Figure 4: Solar Cells on accommodation dongas.

DAJARRA CAMP EXPANSION PHASE 2

Work on the second phase of the Dajarra camp expansion is underway with proposals being sought for the kitchen and laundry. This will provide life of mine accommodation for the increased workforce required for the Stage 1.5 Expansion. The November 2023 estimate accounted for an extra four dongas, which have been postponed or eliminated in anticipation of an alternative solution currently under negotiation and awaiting confirmation.

DRYING PADS

Engineering and processing improvements to further improve drying systems is underway. Planning for longer term options including a stacker with expanded drying areas and subfloor water drainage under stockpiles is underway. The emphasis is on environmentally sustainable and low-cost solar drying that integrates into an efficient drainage and vacuum system. This type of facility aids drying of the phosphate concentrate and mitigates inclement weather events. In addition, a water surfactant has been successfully trialled and implemented, that further aids drying efficiency.

APPROVALS

All environmental approvals for the southern pit have been granted. Remaining approvals for the northern pit are underway and are expected to be granted in late 2024. Detailed mine planning for the move to the northern pit, which encompasses road relocations, haul road constructions and infrastructure installations is underway.

The estimated rehabilitation cost for Ardmore has been recalculated given the changes in the mine plan and tailings approach (delay in the ex-pit TSF until 2025). This has resulted in a reduction in the 2024 rehabilitation bond required by the Department of Environment, Science and Innovation. A payment of \$0.8 million is now required in Q1 2024 with the majority of the balance deferred until later in 2024 and early 2025.

DRILLING

The capital estimate has now brought forward an allowance for drilling which includes resource and metallurgical drilling of the northern pit, water drilling and monitoring bores. These works were previously included for works to be conducted in 2025. Drilling results will further enhance DFS knowledge and build on recent experiences, allowing for a more effective northern mine design.

CYCLONES

Centrex has purchased additional cyclone banks to upgrade existing cyclones and further increase the performance of the plant and separation efficiency and are expected to be installed in Q2 2024. This plant has been locally manufactured to reduce lead time and the ability to assist in future procurement.

COMMUNICATIONS, GENSETS AND BUILDINGS

A phased approach to increasing site communications and buildings along with the replacement of leased gensets and buildings is currently being assessed and will be executed in a prudent manner over the remainder of 2024. The scope has been updated to include the contractors' warehouse and other associated buildings. The scope also includes enhanced site communications technology and automated SCADA and interlock systems.

VEHICLES

An allowance for site vehicles that will be included in the NAB package has been made. This allowance includes for a service truck, light vehicles and other sundry vehicles.

TAILS STORAGE FACILITY

The construction of the long-term ex-pit TSF has been delayed to 2025 and has been replaced by smaller short-term waste dams. It should be noted that that tails contains phosphate material for which markets have previously been identified and sales made. Furthermore, in-pit tails disposal is being investigated as an alternative for the southern pit, which will reduce costs and provides enhanced optionality. This change in methodology will delay capital costs from 2024 until 2025 for tails facilities.

CRUSHING PLANT

As previously announced, the Company's new crushing plant acquired from Onetrak, was mobilised to site in October 2023⁵ to remove an operational constraint and significantly reduce crushing costs. Following commissioning and a six-month contract with Crushing and Screening Equipment ("CSE") to train Agriflex crews and aid in the ramp up and operations of the plant, the Company is now utilising its own operators. The Company extends its gratitude to Onetrak and CSE for their contribution to this project.



Figure 5: Crushing plant overview.

Capital expenditure for the crusher has increased over the previous November 2023 estimate due to the inclusion of spares, conversion to front end loader feed and access ramps for cleaning access.

⁵ See Centrex ASX Announcement 9 October 2023

The plant has been financed over a 12-month period, and in Q4 2024 the final payment will be made (likely utilising the NAB funding package) which will further reduce operating costs for the crushing plant.

PROCESSING PLANT UPGRADE

Planning for options to optimise the plant performance (throughput, recoveries and moisture reduction) are ongoing to ensure that maximum value is extracted from the Ardmore deposit. These options will provide additional washing (screening, cyclones or classification) to lower aluminium levels and therefore improve the R₂O₃ specification.

MANAGEMENT COMMENTARY

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

"Prudent and responsible capital management remains at the forefront of our execution strategy to meet our targeted production run-rate of 625ktpa. With the recent successful injections of capital into the business, the project team has responded rapidly with the implementation of key projects that are increasing volumes, reducing operational expenditure and enhancing operational efficiencies. All of these efforts are expected to translate into additional Phosphate Rock production and enhance sales margins.

I am delighted with the efficient progress achieved thus far from our highly experienced team. We are on schedule and under budget to meet all our stated objectives as previously forecasted."

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

Grant Law
Grant Law Public Relations
Ph (61) 488 518 414
Email – grant@grantlaw.com.au

John Santich
Company Secretary
Centrex Limited
Ph (08) 8213 3100

For investor relations enquiries, please contact:
Erik Bergseng, CFA®
Investor Relations
Ph (61) 422 858 253
Email – eberg seng@nrinvestor.com.au

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. These forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Centrex. You are cautioned not to place undue reliance on any forward looking statement. Forward looking statements in this Announcement are based on assumptions and contingencies which are subject to change without notice. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. The forward looking statements in this Announcement are based on information available to Centrex as at the date of this Announcement and nothing in this Announcement should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. Except as required by law or regulation, Centrex its related bodies corporate and their respective officers, employees and advisers disclaim any obligation or undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise.