



CENTREX

ASX ANNOUNCEMENT

7th June 2024

AURIZON LOGISTICS AGREEMENT - EXTENSION & VARIATION

Centrex Limited (ASX: CXM) ('Centrex' or 'the Company') provides the following update for the Ardmore Rock Phosphate Mine ('Ardmore'), 100% owned by its wholly owned subsidiary, Agriflex Pty Ltd ('Agriflex').

AURIZON LOGISTICS AGREEMENT

The Company wishes to advise that its logistics partner, Aurizon Operations Limited ('Aurizon') and the Company have reached an agreement regarding several aspects to its existing Logistics Agreement ('Agreement') catering to Ardmore. The totality of these changes are expected to provide Centrex with greater flexibility in utilising the product on its balance sheet, while also improving the Company's working capital position by deferring and restructuring current outstanding payments to Aurizon.

EXTENSION AND VARIATION OF AGREEMENT

Within the Agreement, key variations to the existing Agreement are as follows:

- Agriflex has exercised its option to extend the Agreement with the Company until 31 January 2028, which represents a further 12-month extension.
- Aurizon has agreed to remove their existing lien over Agriflex product in Aurizon's logistics system (representing up to approximately A\$9m in product value). This allows Centrex the flexibility to offer its product as security to other parties for the purposes of unlocking additional financing if it is ever needed or required.
- Centrex has agreed to provide Aurizon with a standard 'Parent Company Guarantee.'

In addition to the above points, a Contract Minimum Charge ('CMC') by Aurizon has been applied for the 'Year 1' period (defined as July 2023 to January 2024). The 'CMC' is intended to reflect Aurizon's costs with respect to the ongoing maintenance of fixed installations which enable the provision of logistics services. The CMC is only accrued by Centrex in the event a 'Minimum Volume Threshold' ('MVT') in 'Actual Tonnages' ('AT') for a period has not been achieved. The formula used to calculate the CMC is adjusted in proportion to the shortfall of AT relative to the MVT of the period.

The outstanding balance of the CMC for Year 1 equates to \$4,146,948, which Aurizon has agreed to be repaid in monthly instalments during the 2024/2025 financial year. The Company notes that this payment already formed part of the Agriflex 2024/2025 financial year budget prior to the finalisation of the Agreement, and it is therefore not a new or unanticipated cost. Furthermore, by agreeing to monthly instalments for the Year 1 CMC, the term of the Agreement has been extended by an additional 12 months (beyond Agriflex's extension) to 31 January 2029.

Looking ahead, the Company notes that as part of the amended Agreement with Aurizon, the applicable MVT for 'Year 2' (from February 2024 to January 2025), 'Year 3' (from February 2025 to January 2026) and 'Year 4' (February 2026 to January 2027) is 325,000t for each period. Based on the previously announced sales targets associated with the ongoing ramp up at Ardmore,¹ the Company expects that its AT will meet the MVT for the Year 2 period, and thus, presently, no CMC is expected to be applicable for this period. However, in the potential event where concentrate AT is in shortfall relative to the MVT during the Year 2 period, the Company has the option of utilising export sales of its Amplify or DARP (Direct Application Rock Phosphate) product to reduce or eliminate any outstanding CMC.

Further, as part of the Company's ongoing Stage 1.5 Expansion at Ardmore, the Company expects to unlock a production rate of ~625ktpa by December 2024. Consequently, the Company also expects to well exceed the MVT for Years 3 and 4, and thus no CMC is currently expected to be applicable over these periods.

MANAGEMENT COMMENTARY

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

"We would like to thank Aurizon for its ongoing support. Aurizon continues to be a strong, reliable, and equitable partner, with both parties seeing ongoing opportunities for mutual benefit and collaboration. We are pleased with the variation to the Agreement, as it strengthens the Company's working capital position during the ramp-up phase of Ardmore. Additionally, the Agreement enhances the Company's balance sheet by removing Aurizon's existing lien over A\$9 million of our product, allowing the Company to pursue further financing agreements if needed. We look forward to further collaboration with Aurizon, including discussions regarding a bulk transportation solution which has the potential to further reduce operating costs per tonne."

¹ See ASX Announcement: Quarterly Activities Report – March 2024

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", "expected", "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.