



**CENTREX**

**CENTREX LIMITED**  
(ACN 096 298 752) (ASX:CXM)

**RIGHTS ISSUE OFFER DOCUMENT**

For a fully-underwritten, non-renounceable, pro-rata rights issue by Centrex Limited to Eligible Shareholders of five (5) New Shares for every forty-two (42) Shares held on the Record Date at an issue price of \$0.14 per New Share, to raise up to approximately \$8,024,048 before costs.

The Offer closes at **5:00 pm (ACST) on Friday, 29 April 2022.**

**The Rights Issue is fully underwritten by Taylor Collison Limited (ACN 008 172 450).**

**Important Notice**

This document is not for release or distribution in the United States or elsewhere outside Australia or New Zealand.

This is an important document and requires your immediate attention. If you are in any doubt about how to deal with this document (**Offer Document**), you should consult your stockbroker, accountant, lawyer or other professional advisor.

You are encouraged to carefully read this Offer Document in its entirety before making any investment decision in relation to the Rights Issue. If you apply for New Shares under the Rights Issue you will be agreeing to be bound by the terms of the Offer Document, and you will confirm that you have read, understood and agreed to the terms of the Offer Document.

This Offer Document is not a prospectus or other form of disclosure document. It does not contain all of the information that an investor may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Document.

This Offer Document does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs.

Participation in the Rights Issue is only open to holders of fully paid ordinary shares in Centrex at **5:00pm (ACST) on Monday, 11 April 2022 and whose address on the share register is in Australia or New Zealand.**

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## IMPORTANT INFORMATION

This Rights Issue Offer Document (the **Offer Document**) has been prepared by Centrex Limited (ACN 096 298 752) (ASX: CXM) and is dated 13 April 2022.

The Company has appointed Taylor Collison (ABN 53 008 172 450) to act as lead manager and underwriter in respect of the Offer.

This Offer Document is not a prospectus or other disclosure document under the Corporations Act and has not been lodged with ASIC.

The Offer contained in this Offer Document is being made without disclosure in accordance with section 708AA of the Corporations Act, as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84.

In general terms, section 708AA permits certain companies to undertake rights issues without being required to use or provide to shareholders a prospectus or other disclosure document. Accordingly, the level of disclosure in this Offer Document is significantly less than the level of disclosure required in, and what you would expect in, a prospectus. Eligible Shareholders should rely on their own knowledge of the Company, refer to disclosures made by the Company to ASX, and consult their professional advisors before deciding to accept the Offer.

The Offer Document does not constitute financial product advice and has been prepared without taking into account Eligible Shareholder's investment objectives or financial circumstances. The Offer Document does not purport to contain all the information that Eligible Shareholders may require to make an informed investment decision regarding, or about the rights attaching to, the New Shares offered under this Offer Document.

Securities will only be issued on the basis of this Offer Document in accordance with the terms set out in this Offer Document.

As at the date of this Offer Document, the Company has complied with:

- (a) the provisions of Chapter 2M of the *Corporations Act 2001* (Cth) (**Corporations Act**), as they apply to the Company; and
- (b) sections 674 and 674A of the *Corporations Act*.

The Offer is made only to those Shareholders on the Record Date and who meet the requirements set out in section 2.4 (**Eligible Shareholders**).

Before deciding whether to apply for New Shares, each Eligible Shareholder should consider whether Centrex is a suitable investment for them in light of their own investment objectives and financial circumstances and should seek professional advice from their accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

### **This is an important document**

It is important that you carefully read this Offer Document in its entirety before deciding to invest in Centrex and, in particular, that you consider the risk factors that could affect the financial performance of Centrex. In addition to the general risks applicable to all investments in listed companies, there are specific risks associated with an investment in Centrex. You should carefully consider these factors in light of your personal circumstances (including financial and taxation issues) and seek professional advice from your accountant, stockbroker, lawyer or other professional adviser before deciding whether to invest.

## **Disclaimer**

No person is authorised to give any information or to make any representation in connection with the Offer contained in this Offer Document. Any information or representation not contained in this Offer Document may not be relied on as having been authorised by Centrex in connection with the Offer. Neither Centrex nor any other person warrants the future performance of Centrex or any return on any investment made under this Offer Document, except as required by law and then only to the extent so required.

## **Future performance and forward looking statements**

Applicants should note that the past share price performance of Centrex provides no guidance as to its future share price performance. Any financial information provided in this Offer Document is for illustrative purposes only and is not represented as being indicative of Centrex's future financial performance.

Any forward looking statements in this Offer Document are based on Centrex's current expectations about future events. They are subject to known and unknown risks, uncertainties and assumptions, many of which are outside the control of Centrex and its Directors, which could cause actual results, performance and achievements to differ materially from future results, performance or achievements expressed or implied by any forward looking statements in this Offer Document.

## **Excluded Information**

As at the date of this Offer Document, the Company is not aware of any excluded information of the kind that would require disclosure in this Offer Document pursuant to sections 708AA(8) and (9) of the Corporations Act.

## **Ineligible shareholders**

The Offer contained in this Offer Document is only an offer to persons (including individuals and corporate entities) with registered addresses in Australia or New Zealand. The Offer is not extended to, and no New Shares are offered or will be issued to, persons who do not meet the requirements set out in section 2.4 (**Ineligible Shareholders**).

Centrex has determined, pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of Ineligible Shareholders, the number and value of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those jurisdictions.

## **Foreign jurisdictions and restrictions on the distribution of this Offer Document**

This Offer Document and accompanying Entitlement and Acceptance Form do not, and are not intended to, constitute an offer of New Shares in any place outside Australia or New Zealand. The distribution of this Offer Document and the accompanying Entitlement and Acceptance Form outside of Australia or New Zealand may be restricted by law and persons who come into possession of this Offer Document and the accompanying Entitlement and Acceptance Form should seek advice on and observe those restrictions. Any failure to comply with those restrictions may constitute a violation of applicable securities laws. Neither this Offer Document nor the accompanying Entitlement and Acceptance Form may be sent or passed to persons outside Australia or New Zealand or otherwise distributed outside Australia or New Zealand.

In particular, the Offer has not been, and will not be, registered under the *Securities Act of 1933* (US) or the securities laws of any state of the United States and is not being made in the United States or generally to persons resident in the United States. Neither this Offer Document nor the accompanying Entitlement and Acceptance Form may be sent to investors in the United States or otherwise distributed in the United States.

The New Shares being offered to residents of New Zealand under this Offer Document are offered in reliance on the *Securities Act (Overseas Companies) Exemption Notice 2013* (New Zealand). This Offer Document and the Entitlement and Acceptance Form have not been registered, filed or approved by any New Zealand regulatory authority under the *Securities Act 1978* (New Zealand). This Offer Document is not an investment statement or prospectus under New Zealand law and may not contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

In any event, the Offer is only made to and may only be accepted by Eligible Shareholders. No offer is made pursuant to this Offer Document in any place in which, or to any person to whom, it would be unlawful to make such an offer.

#### **Notice to nominees and custodians**

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

#### **Privacy Act**

If you complete an Entitlement and Acceptance Form, you will be providing personal information to the Company (directly, or to the Company's share registry). The Company collects, holds, and uses that information to assess your application, service your needs as a shareholder, facilitate distribution payments and corporate communications to you as a shareholder, and carry out administration.

The information may be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct, and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so, at the relevant contact numbers set out in this Offer Document.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the *Privacy Act 1988* (Cth) (as amended), the Corporations Act, and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the Entitlement and Acceptance Form, the Company may not be able to accept or process your application.

#### **Competent Persons Statement**

The Exploration Results, Mineral Resources and Ore Reserves reported herein are based on and fairly represent information and supporting documentation reviewed and approved by Mr Robert Mencil. Mr Mencil is a full-time employee of Centrex Limited and is a Member of the Australasian Institute of Mining and Metallurgy with over 5 years' experience in the field of activity being reported. Mr Mencil has sufficient experience which is relevant to the styles of mineralisation and types of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves. Mr Mencil consents to the inclusion in this Offer Document of matters based on his information in the form and context in which it appears.

#### **Defined terms and abbreviations**

Terms and abbreviations used in this Offer Document are defined in section 5 of this Offer Document.

**Governing law**

This Offer Document, the Offer and the contracts formed on acceptance of the Applications are governed by the laws of South Australia. Each Applicant submits to the non-exclusive jurisdiction of the courts of South Australia.

**Queries**

If you have not received a personalised Entitlement and Acceptance Form or have any queries on how to complete the Entitlement and Acceptance Form, please contact Centrex's share registry, Boardroom Pty Ltd, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (AEST), Monday to Friday.

## CHAIRMAN'S LETTER

13 April 2022

Dear Investor,

On behalf of the Directors of Centrex Limited (ACN 096 298 752) (ASX: CXM) (**Centrex** or the **Company**) I am pleased to offer you the opportunity to acquire Shares in the Company.

This Offer Document contains an offer to existing Eligible Shareholders of the Company to subscribe for five (5) New Shares for every forty-two (42) Shares you hold as at the Record Date at an Issue Price of \$0.14 per New Shares. This is the **Offer**.

The Offer is fully underwritten by Taylor Collison Limited (ACN 008 172 450) (**Underwriter**). Any entitlements not taken up by Eligible Shareholders under the Offer will be allocated to the Underwriter in accordance with the Underwriting Agreement.

The Company is also pleased to announce that it has completed a private placement to institutional, professional and sophisticated investors (**Placement**) of 57,104,593 Shares at \$0.14 per Share, that will raise up to \$8 million. Settlement of the Shares under the Placement will occur following the Record Date under the Offer, meaning investors will only be entitled to participate in the Offer on the basis of their total shareholdings as at the Record Date, which excludes those shares issued pursuant to the Placement.

The funds raised under the Placement and this Offer Document (net of expenses) will be used by the Company for the following:

- (a) to fund mining for the initial production operation at the Ardmore Phosphate Rock Project;
- (b) to fund plant and equipment purchases for the initial production operation;
- (c) to fund front end engineering design for the 800,000 tpa production plant;
- (d) to fund further resource drilling at the Ardmore Phosphate Rock Project;
- (e) to fund full production plant engineering;
- (f) working capital; and
- (g) expenses of the Placement and Offer.

This Offer Document contains detailed information about the Offer and the Company's business, as well as the risks of investing in the Company. I encourage you to read it carefully.

Yours sincerely,



**Peter Hunt**  
Non-Executive Chairman  
Centrex Limited

## KEY OFFER DETAILS

Key data relating to the Offer	
Issue Price per New Share	\$0.14
Discount of the Issue Price to the last traded Shares on ASX ended 1 April 2022	33.3%
Discount of the Issue Price to the 15-day VWAP of Shares on ASX for the period ended 1 April 2022	11.8%
Maximum number of New Shares to be offered under the Offer	57,314,633*
Proceeds from the Offer (excluding costs associated with the Offer)	\$8,024,048*
Total number of Shares on issue following the Placement and Offer (assuming full subscription)	595,862,138*

\* These figures are approximate only and are subject to rounding.



## KEY DATES

Key Dates	
<b>Announcement of the Offer and Placement</b> Lodgement of Appendix 3B and Notice under section 708AA(2)(f) of the Corporations Act	Wednesday, 6 April 2022
<b>Offer Ex Date</b> Company shares trade on an ex-basis for the Offer	Friday, 8 April 2022
<b>Offer Record Date</b>	5:00 pm (ACST) on Monday, 11 April 2022
Allotment of New Shares pursuant to the Placement Lodgement of Appendix 2A	Tuesday, 12 April 2022
<b>Offer Opening Date</b> Offer opens Lodgement of Offer Document and Cleansing Notice with the ASX Dispatch of Offer Document and Entitlement and Acceptance Forms to Eligible Shareholders Company announces dispatch has been completed Notice sent to Ineligible Shareholders	Wednesday, 13 April 2022
Last day to extend Offer closing date	Tuesday, 26 April 2022
<b>Offer Closing Date</b>	5:00pm (ACST) on Friday, 29 April 2022
Quotation on a deferred settlement basis	Monday, 2 May 2022
<b>Offer Shortfall Notification Date</b> Company announces results of the Offer and notifies ASX of under-subscriptions (if any)	Wednesday, 4 May 2022
<b>Offer Allotment Date</b> Issue date under Offer – Deferred settlement trading ends Lodgement of Appendix 2A	Friday, 6 May 2022
<b>Offer Trading Date</b> Normal trading of New Shares expected to commence on ASX	Monday, 9 May 2022

The timetable above is indicative only and may be subject to change. Centrex reserves the right to amend any or all of these dates and times, subject to the *Corporations Act*, the ASX Listing Rules, and any other applicable laws. In particular, Centrex reserves the right, to extend or otherwise vary the Closing Date or to withdraw the Offer without prior notice. Any extension or variation of the Closing Date will have a consequential effect on the date for the allotment of New Shares.

The commencement of quotation of New Shares is subject to confirmation from ASX.

## ANSWERS TO KEY QUESTIONS

Question	Answer
What is the Offer?	Five (5) New Shares for every forty-two (42) Shares held on the Record Date at an Issue Price of \$0.14 per New Share.
Who can participate in the Offer?	Only Eligible Shareholders can participate in the Offer. Eligible Shareholders are persons who meets the requirements set out in section 2.4.
How much do I have to pay to participate in the Offer?	The Issue Price for each New Share is \$0.14. You may subscribe for all, or part, of your Entitlement.
What are the terms of the New Shares?	The New Shares issued under the Offer will rank equally with all existing Shares.
What is the purpose of the Offer?	<p>Proceeds from the Offer (net of expenses) will be used by the Company for the following:</p> <ul style="list-style-type: none"> <li>(a) to fund mining for the initial production operation at the Ardmore Phosphate Rock Project;</li> <li>(b) to fund plant and equipment purchases for the initial production operation;</li> <li>(c) to fund front end engineering design ('FEED') for the 800,000 tpa production plant;</li> <li>(d) to fund further resource drilling at Ardmore Phosphate Rock Project;</li> <li>(e) to fund full production plant engineering;</li> <li>(f) working capital; and</li> <li>(g) expenses of the Placement and Offer.</li> </ul>
Is the Offer underwritten?	The Offer is fully underwritten by Taylor Collison Limited (ACN 008 172 450).
Can I apply for shares in excess of my Entitlement?	<p>No. Eligible Shareholders may not apply for New Shares in excess of their Entitlement shown on their Entitlement and Acceptance Form.</p> <p>Any New Shares not subscribed for by way of an Entitlement and Acceptance Form pursuant to this Offer Document by the</p>

Question	Answer
	Closing Date ( <b>Shortfall Shares</b> ) will be allocated to the Underwriter in accordance with the terms of the Underwriting Agreement.
What are the risks associated with applying for New Shares under the Offer?	<p>An investment in Centrex involves general risks associated with any investment in shares, including that the price of the New Shares may rise or fall.</p> <p>There are also a number of risk factors, both specific to Centrex and of a general nature, which may affect the future operating and financial performance of Centrex and the value of an investment in Centrex. These specific risks include, but are not limited to, exploration and development risks, environmental risks, business risks, funding, loss of key management, acquisitions and other strategic investments as well as the risk of future financings.</p> <p>See section 2.13 for further information regarding the risks associated with investing in the Company.</p>
What are my options?	<p>You may:</p> <ul style="list-style-type: none"> <li>(a) take up all, or part, of your Entitlement; or</li> <li>(b) do nothing and allow all of your Entitlement to lapse, in which case the New Shares comprising your Entitlement will constitute Shortfall Shares and may be allocated to the Underwriter in accordance with the terms of the Underwriting Agreement.</li> </ul>
How do I accept my Entitlement?	<p>If you are an Eligible Shareholder, and you wish to subscribe for all or some of the New Shares making up your Entitlement, you must complete the Entitlement and Acceptance Form and lodge it together with a cheque or payment through BPAY® for the Application Money.</p> <p>Please refer to section 3 for further details on how to accept your Entitlement.</p> <p>If you have not received an Entitlement and Acceptance Form, please call Boardroom Pty Ltd, on 1300 737 760 (within Australia) or +61 3 2 9290 9600 (outside Australia).</p>
Can I sell or transfer my Entitlement?	No. The Offer is non-renounceable and, accordingly, you cannot sell or transfer any of your Entitlement.
How can I obtain further information?	Centrex encourages you to seek advice from your financial or other professional adviser in respect of the Offer.

# 1 OVERVIEW OF THE COMPANY

## 1.1 Centrex Limited

Centrex is a South Australian based ASX listed resource company with a portfolio of assets in Queensland, Western Australia and New South Wales.

Centrex's most advanced and flagship project is the 100% owned Ardmore Phosphate Rock Project (**Ardmore Project**) located south of Mt Isa in North West Queensland. The Ardmore deposit is one of the few remaining undeveloped high-grade phosphate rock deposits in the world. Centrex is currently developing Ardmore into a mining operation to produce approximately 800,000 tpa of phosphate rock concentrate per annum at an average grade of 34 to 35% P<sub>2</sub>O<sub>5</sub> for domestic consumption and export throughout Asia-Pacific.

The Ardmore Project will be the only developed phosphate mine in Australia exporting products offshore. The Company is also undertaking targeted phosphate rock exploration in Queensland and the Northern Territory to expand its phosphate resource base.

Centrex's mandate as a company is to answer the challenges the world is facing for access to resources and to reposition itself by rebranding and committing to business activities that are focused towards sustainability and ESG principles. The Company's new mission moving forward is to lead the way in what it means to be a modern resource company by discovering and developing solutions to meet the world's resource needs. Centrex is also developing other subsidiaries of the Company and projects that will help usher in the COP 26 pledges of world governments towards sustainable technologies by prospecting and aiming to provide the materials needed to accomplish the stated goals.

## 1.2 Phosphate project development in Queensland

The Ardmore Project is located south of Mt Isa in North West Queensland. The project is linked to the Port of Townsville via an established road network and existing rail line. Ardmore is one of the few remaining undeveloped high-grade phosphate rock deposits in the world. Centrex is developing a phosphate rock export operation. The deposit, which lies on an existing Mining Lease, is shallow and can be cheaply mined via open-cut strip mining without the need for blasting. Once the already high-grade ore is crushed to meet export sizing specifications, removal of fine-grained mainly clay material produces a premium grade concentrate product.

The Ore Reserves for the Ardmore Project are currently 10.1 million tonnes at 30.2% P<sub>2</sub>O<sub>5</sub> as reported in August 2021 DFS.<sup>1</sup> The Company plans to further increase its total mineral resource of 16.2 million tonnes with further resource drilling adding further mine life which currently stands at 10 years.

Commissioning of the Initial Plant is currently under way with a completion target of June 2022. Trial shipments are scheduled to commence in August 2022 and following this, the Plant has the capacity to continue production at a monthly capacity of 20,000 tonnes per month.

The Definitive Feasibility Study is based upon the plant being built at Ardmore. The benefit of the Ardmore site is the reduced logistics costs as only final product is transported. Work has commenced on front end engineering and design (FEED) for an 800,000 tpa commercial plant. Three potential plant locations are being examined in detail. Possible locations include the Ardmore site, and potential sites near Mt Isa and Townsville. The benefit of a non-remote site is access to mains services (water, gas, electricity) and other established town services (workforce, accommodation, airport etc) and immediate access to the rail and port. A plant located in Townsville could potentially also be fed using ore sourced from overseas.

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<sup>1</sup> Refer ASX Announcement dated 12 August 2021. There have been no material changes to this estimate since last reported.

The location of the commercial plant is envisioned to be decided by June 2022 and the Company will then progress to Final Investment Decision (FID) by the end of 2022. Post FID, the commencement of the construction of the full commercial plant is planned for early 2023 and full production commencing in 2024. BurnVoor Corporate Finance and Naust Capital will assist as joint financial advisers to arrange financing for the development of the commercial plant.

### **1.3 Potash exploration in Western Australia**

The Oxley Potash Project is located in the Midwest of Western Australia around 125km southeast of the port of Geraldton. The project is a very rare 32km long shallow dipping and outcropping potash feldspar rich lava flow. The lava flow is up to 72m thick with average combined interval grades of up to 10.1% K<sub>2</sub>O. The project has very favourable mining, infrastructure and logistics scenarios compared to most potash projects. The project is located next to existing roads, rail, power, and gas infrastructure.

On 8th March 2016, Centrex announced a maiden 155 million tonne Inferred Mineral Resource at 8.3% K<sub>2</sub>O has been estimated (using a 6% K<sub>2</sub>O cut-off) from just a 3km section of the overall 32km striking ultrapotassic lava flow that is the basis of the Project. The Inferred Mineral Resource includes 38 million tonnes at 10% K<sub>2</sub>O using a 9% K<sub>2</sub>O cut-off.<sup>2</sup>

Metallurgical test work recommenced in the March 2022 quarter on the Oxley ore. The aim of the test work is to convert Oxley ore's structural potassium into a soluble plant-available potassium using a relatively simple low-cost alkali-hydrothermal treatment. The final product needs to be sufficiently high in soluble potassium (K) to be cost effective.

Initial test work has focused on creating a K concentrate which can then undergo alkali-hydrothermal treatment.

### **1.4 Base metals exploration in New South Wales**

The Goulburn Base Metals Project is located in the Lachlan Fold Belt in New South Wales. Geophysical mapping of the project has shown promising conductor targets located on the edge of a major gravity high adjacent historically defined zinc, lead and copper mineralisation. A drill program conducted in early 2015 has intersected a zone of massive and semi-massive polymetallic sulphide mineralisation at the newly discovered Collector North Polymetallic Prospect.

## **2 THE OFFER AND ELIGIBILITY**

### **2.1 The Offer**

Centrex is offering Eligible Shareholders the opportunity to subscribe for five (5) New Shares in Centrex for every forty-two (42) Shares held at 5:00PM (ACST) on the Record Date at an Issue Price of \$0.14 per New Share, to raise approximately \$8,024,048 (before costs).

Based on the number of Shares on issue as at the date of this Offer, a maximum of approximately 57,314,633 New Shares will be issued pursuant to this Offer.

### **2.2 Your Entitlement**

The number of New Shares to which you are entitled to subscribe is shown on the accompanying Entitlement and Acceptance Form. Fractional entitlements have been rounded up to the nearest whole Share, except where the rounding up of a fractional Entitlement would result in the Eligible Shareholder increasing their voting power in the Company from 20% or below to more than 20% in which case the fractional Entitlement has been rounded down. Holdings on different registers or sub-registers will not be aggregated to calculate entitlements.

<sup>2</sup> Refer ASX Announcement dated 8 March 2016. There have been no material changes to this estimate since last reported.

All of the New Shares offered under this Offer Document will rank equally with the Shares on issue at the date of this Offer Document.

### **2.3 Issue Price**

The Issue Price payable for each New Share is \$0.14, being a 33.3% discount to the last traded price of the Company's Shares on the ASX on 1 April 2022 and a 11.8% discount to the 15-day volume weighted average market price (**VWAP**) of Shares on the ASX for the period ended 1 April 2022.

Eligible Shareholders will not be obliged to pay brokerage or other fees in respect of New Shares acquired under the Offer, although the Company will pay certain professional and other fees to third parties.

Eligible Shareholders should note that the market price of Shares may rise and fall between the date of this Offer and the date when New Shares are allotted under the Offer. Accordingly, the price you pay per New Share pursuant to this Offer may be either higher or lower than the market price of Shares at the time of this Offer or at the time the New Shares are allotted under this Offer.

Centrex recommends that you monitor the price of Shares, which can be found in the financial pages of major Australian metropolitan newspapers, or on the Australia Securities Exchange website at [www.asx.com.au](http://www.asx.com.au) (ASX Code: CXM).

### **2.4 Eligibility to participate in the Offer**

A person will be eligible to participate in the Offer (**Eligible Shareholders**) if:

- (a) the person was a registered holder of Shares at 5:00pm (ACST) on the Record Date;
- (b) the person's registered address is in Australia or New Zealand;
- (c) the person does not already hold a relevant interest exceeding 20% of the issued share capital of the Company; and
- (d) the allotment of Shares under the Offer will not result in that person acquiring a relevant interest exceeding 20% of the issued share capital of the Company on a post issue basis.

### **2.5 Shareholders outside Australia and New Zealand**

All shareholders who are not Eligible Shareholders are ineligible shareholders (**Ineligible Shareholders**). Centrex has determined, pursuant to ASX Listing Rule 7.7.1 that it would be unreasonable on this occasion to extend the Offer to Ineligible Shareholders having regard to the number of securities held by Ineligible Shareholders and the costs of complying with the legal and regulatory requirements which would apply to an offer of securities to Ineligible Shareholders in those jurisdictions.

Shareholders resident in Australia or New Zealand holding shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction.

Ineligible Shareholders will not be entitled to participate in the Offer.

### **2.6 Closing Date**

The Offer is scheduled to close on **5:00pm (ACST) on Friday, 29 April 2022**. Please refer to section 3 below for details on how to accept your Entitlement.

Please note that Centrex reserves the right, subject to the Corporations Act and the ASX Listing Rules, to amend the Closing Date of the Offer. Any extension or other variation of the Closing Date will have a consequential effect on the date for the allotment of New Shares.

## **2.7 Trading of Entitlements**

The rights to New Shares under the Offer are non-renounceable. Accordingly, there will be no trading of rights on the ASX, and you may not dispose of your rights to subscribe for New Shares under the Offer to any other party. If you do not take up your Entitlement to New Shares under the Offer by the Closing Date, the Offer to you will lapse.

## **2.8 Shortfall**

Any New Shares not subscribed for by way of an Entitlement and Acceptance Form by the Closing Date (**Shortfall Shares**) will be allocated to the Underwriter in accordance with the terms of the Underwriting Agreement.

To the extent that it is commercially practicable, and taking into account Centrex's requirement for funds, the Directors (in consultation with the Underwriter) will endeavour to allot the Shortfall Shares to a spread of investors, in order to mitigate any control effects which may arise from issuing Shares to a single or small number of investors. In any event, no investor will be permitted to acquire Shortfall Shares to the extent that such acquisition would result in that investor having a voting power in Centrex in excess of 20% (on a post issue basis).

The issue price of each Shortfall Share will be \$0.14, being the same price for New Shares under the Offer.

Shortfall Shares may be issued by the Directors (in consultation with the Underwriter), in accordance with the following policy:

- (a) No investor will be allotted Shortfall Shares to the extent that:
  - (i) such allotment would result in that person acquiring a relevant interest exceeding 20% of the issued share capital of the Company on a post issue basis; or
  - (ii) where that person already holds a relevant interest exceeding 20% of the issued share capital of the Company and such allotment would result in that person increasing their relevant interest.
- (b) The Company will not allocate or issue Shortfall Shares, where it is aware that to do so would result in a breach of the *Corporations Act*, the ASX Listing Rules, or any other relevant legislation.
- (c) The Directors of the Company, in allocating Shortfall Shares, will do all things reasonably necessary to allocate Shortfall Shares on a basis that mitigates any control implications on the Company.
- (d) The Directors reserve the right, subject to the Listing Rules and the *Corporations Act*, to place any Shortfall Shares at their discretion within 3 months after the Closing Date.

There is no guarantee that you will receive Shortfall Shares.

If the Directors decide to issue Shortfall Shares, the Shortfall Shares will be allotted at the same time as the New Shares under the Offer are allotted and in any event within 3 months of the Closing Date.

## 2.9 Underwriting Agreement

The Underwriter has agreed to underwrite all Shortfall Shares in accordance with the agreement to fully underwrite the Offer dated 12 April 2022 (**Underwriting Agreement**). The key terms of the Underwriting Agreement are as follows:

- (a) (**consideration**) the Underwriter will be paid an underwriting and management fee of 6% of the gross proceeds raised under the Offer and Placement. The Company will not be responsible for paying any sub-underwriting fees incurred by the Underwriter;
- (b) (**warranties**) the Company and the Underwriter have given representations, warranties and undertakings in connection with (among other things) the conduct of the Offer;
- (c) (**indemnity**) the Company has (subject to certain limitations, including where the loss arises through the fraud, wilful misconduct, recklessness or gross negligence of the Underwriter or contravention of an applicable law) agreed to indemnify the Underwriter, its affiliates and Related Bodies Corporate and the directors, officers, partners, employees and agents of the Underwriter and each of its affiliates and Related Bodies Corporate against losses arising out of or incurred in connection with the Offer, Offer Documents or the Underwriting Agreement;
- (d) (**termination rights**) the Underwriter may (in certain circumstances, including having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from their obligations under it on the occurrence of certain events which are typical for an underwriting agreement, including (but not limited to) where:
  - (i) (**Market fall**) the ASX/S&P Small Ordinaries Index is, for a period of two (2) consecutive Business Days between the date of this agreement and the Business Day immediately prior to the settlement date of the Offer or at the close of trading on the Business Day immediately prior to settlement of the Offer, at a level which is 10% or more below the level at the close of ASX trading on the date of the Underwriting Agreement;
  - (ii) (**Change in law**) a change of law occurs which does or is likely to prohibit or adversely regulate the Offer;
  - (iii) (**Listing**) the Company ceases to be admitted to the Official List or the Company's ordinary shares are suspended from Quotation;
  - (iv) (**Indictable offence**) a director, chief executive officer or chief financial officer of the Company is charged with an indictable offence or fraudulent conduct;
  - (v) (**Insolvency event**) an insolvency event occurs with respect to the Company or a subsidiary which represents 5% or more of the consolidated assets or earnings of the Group; and
  - (vi) (**Disruption in financial markets**) there is an adverse change or disruption to the financial, political or economic conditions, currency exchange rates or controls or financial markets in Australia, New Zealand, the United States, Japan, Singapore, the United Kingdom, a member state of the European Union, Hong Kong or any change or development involving such a prospective adverse change in any of those conditions or markets.



## **2.10 Allotment of New Shares and Additional Shares**

The Company will proceed to allocate New Shares as soon as possible after the Closing Date, subject to receiving ASX permission for official quotation of the New Shares. Allotment of the New Shares is expected to take place on Friday, 6 May 2022.

No issue of New Shares will be made unless permission is granted for quotation of the New Shares and any Additional Shares on ASX.

Applications Monies will be held in trust for applicants until New Shares and any Shortfall Shares are allotted. Interest earned on Applications Monies will be for the benefit of Centrex and will be retained by Centrex irrespective of whether New Shares or any Shortfall Shares are issued.

Trading of New Shares will, subject to ASX approval, occur on or about the date specified in the timetable.

Successful Applicants will be notified in writing of the number of New Shares allotted to them as soon as possible following the allotment being made.

## **2.11 ASX listing**

Centrex has applied for the listing and official quotation of the New Shares on ASX. If granted, official quotation of the New Shares will commence as soon as practicable after allotment of the New Shares to Applicants. It is the responsibility of Applicants to determine their allocation of New Shares prior to trading. The sale by an Applicant of New Shares prior to receiving their Holding Statement is at the Applicant's own risk.

If the New Shares are not granted official quotation on the ASX within 3 months after the date of this Offer Document, none of the New Shares under this Offer Document will be issued and all Application monies will be refunded without interest to Applicants within the time prescribed by the Corporations Act.

## **2.12 Rights attaching to New Shares**

New Shares will rank equally with existing Shares and will carry the same voting rights, dividend rights and other entitlements at the date they are issued.

## **2.13 Risks**

Any investment in Centrex involves general risks associated with any investment in shares, including that the price of the New Shares may rise or fall.

There are also a number of risk factors, both specific to Centrex and of a general nature, which may affect the future operating and financial performance of Centrex and the value of an investment in Centrex. Before deciding to invest in Centrex, you should carefully consider any risk factors applicable to your investment.

These specific risks include, but are not limited, to:

### **(1) *Exploration and Development***

The business of exploration, project development and mining contain risks by its very nature. To prosper, an exploration development and mining company needs to have successful exploration activities and delineation of mineral resources and ore reserves, it must be competent in the design and construction of efficient production/processing facilities, and must be competent in its operations and managerial performance and must be proficient in the marketing of product.

There can be no assurance that funds spent on exploration will result in the discovery of a mineral resource, and even if an apparently viable deposit or mineral resource is identified, there is no guarantee that it can be viably converted to an ore reserve to be commercially exploited.

Further, if the Company's exploration fails to result in the discovery of a mineral resource, the Company's ability to access funding or raise capital may be negatively impacted.

(2) *Production risks*

Operations such as design and construction of efficient mining and processing facilities, competent operation and managerial performance, and efficient transport and marketing services, are required to be successful. In particular production operations can be hampered by force majeure circumstances, engineering difficulties, cost overruns, inconsistent recovery rates and other unforeseen events. Development of production may be affected by these and many other matters.

(3) *Operating risks*

The operations of the Company may be affected by various factors, including (without limitation) contractual disputes, disruptions, including failures in internal controls, financial fraud and labour conditions. To the extent that such matters may be within the control of the Company, the risks will be addressed through management and supervision controls.

The exploration programs of the Company and project development and mining operations may be affected by numerous factors beyond the control of the Company. These may include adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, plant and equipment, and events involving fire or explosions and the occurrence of other incidents beyond the control of the Company.

(4) *Environmental*

The mineral exploration sector operates under Australian Federal and State environmental laws. The Company's operations may require it to use hazardous materials and produce hazardous waste which may be alleged to have an adverse impact on the environment or cause exposure to hazardous materials. Despite efforts on the part of the Company to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, the Company may be subject to litigation as a consequence. This may extend to being the subject of investigation by environmental authorities and incurring clean up obligations. This exposure could delay the timetable of a project and may subject the Company to restrictions and substantial penalties, including fines, damages, clean-up costs and other penalties.

(5) *Mineralisation*

Mining exploration operations are high risk. Each ore body is unique and the nature of mineralisation, the occurrence and grade of any ore, and its behaviour during mining, cannot be wholly predicted. Estimates of a mineral deposit are not precise calculations, but are based on interpretations on ore continuity from a drilling pattern believed to be adequate by the supervising competent geologists to predict the continuity of mineralisation.

(6) *Tenements*

The Company's interest in tenements and tenement applications situated in Queensland, Western Australia and New South Wales are governed by legislation and are evidenced by the granting of leases and licences by the relevant States.

The tenements and tenement applications will be subject to the *Mineral Resources Act 1989* (QLD) (in the case of Queensland tenements), the *Mining Act 1978* (WA) (in the case of the Western Australian tenements) and the *Mining Act 1992* (NSW) (in the case of New South Wales tenements). The Company will have an obligation to meet conditions that apply to the tenements under the above legislation, including the payment of rent and prescribed annual expenditure commitments.

Despite the Company's intention to be in full compliance with all obligations applicable to the tenements, there can be no guarantee that tenements that are subject to renewal will be renewed or that expenditure commitments and other conditions that apply to the tenements, will be satisfied.

Renewal conditions may be more onerous by requiring for example increased expenditure and work commitments or compulsory relinquishment of areas of the tenements.

(7) *Approvals*

The Company is reliant on environmental and other approvals in Queensland, Western Australia and New South Wales to enable it to proceed with the exploration and any development of the Company's tenements. There is no guarantee that the required approvals will be granted and failure by the Company to obtain the relevant approvals, or any delay in the award or transfer of the approvals, may materially and adversely affect the ability of the Company to proceed with the proposed exploration and development operations.

(8) *Access*

There is a substantial level of regulation and restriction on the ability of exploration and mining companies to have access to land in Australia.

Negotiations with both native title holders and landowners/occupiers are generally required before gaining access to land for exploration and mining activities. Further delays in granting access by the native title holders may also occur due to COVID-19. Inability or delays in gaining access may adversely impact on the Company's activities.

The Company may need to enter into compensation and access agreements before gaining access to land.

(9) *Native Title*

Many of the areas the subject of the Company's tenements or tenement applications are subject in whole or in part to native title determinations, or claims made by native title parties and may contain aboriginal heritage sites. The ability of the Company to undertake exploration or development operations on that tenement may be delayed or prohibited in the event that applicable consents cannot be obtained from the relevant native title parties or aboriginal groups or the Company breaches a native title law or regulation attaching to the land.

(10) *Approvals to Develop Mineral Deposits*

The Company will require various approvals, licences and permits before it will be able to mine any mineral deposit. There can be no guarantee that the Company will be able to obtain all required approvals, licences and permits promptly or at all. To the extent that required authorisations are not obtained or are delayed, the Company's operational and financial performance may be materially adversely affected.

(11) *Failure of Studies*

Subject to the results of exploration and testing programs to be carried out, the Company may progressively undertake a number of studies in respect of a project, including scoping. These studies will be undertaken within parameters designed to determine the economic feasibility of the project. Even if a study confirms the economic viability of a project, there can be no guarantee that the project will be successfully brought into production as assumed or within the estimated parameters in the feasibility study once production commences.

(12) *Additional Expenditure*

From time to time there may be a need to undertake expenditure that has not been taken into account in this Offer Document. Although the Company is not presently aware of any additional expenditure requirements, if such expenditure is subsequently incurred, this may have an adverse effect of the current expenditure proposals of the Company and negatively impact the business plan of the Company.

(13) *Additional Funding*

Although the funds to be raised under the Placement and the Offer are considered sufficient to meet the immediate objectives of the Company (see the Use of Funds Table in Section 2.14), additional funding may be required by the Company in the event that costs exceed estimates or revenues do not match expectations. For example, additional funding may be required in order to undertake further exploration and mining operations or to acquire complementary assets.

Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. Any additional funding may be dilutive to Shareholders, may be undertaken at lower prices than the Issue Price or may involve restrictive covenants that limit the Company's operations.

There can be no assurance that such funding will be available on satisfactory terms or at all and any inability to obtain sufficient funding for the Company's activities and current or future projects may result in the delay or cancellation of those activities or projects.

The Company's ability to raise capital may also be affected by COVID-19.

(14) *Competition*

The mining exploration and development sectors are subject to domestic and global competition. Although the Company will exercise reasonable due diligence in its business decision making and operations, the Company will have no influence or control over the activities or actions of its competitors, which actions may positively or negatively affect the operating and financial performance of the Company.

(15) *Commodity Price and Exchange Rate*

The price for minerals will depend on available markets.

To the extent the Company is involved in mineral production the revenue derived through the sale of commodities may expose the potential income of the Company to commodity price and exchange rate risks. The prices of minerals fluctuate widely and are affected by numerous factors beyond the control of the Company, such as industrial and retail supply and demand, exchange rates, inflation rates, changes in global economies, confidence in the global monetary system, forward sales of minerals by producers and speculators as well as other global or regional political, social or economic events, and currently the effects of COVID-19. Future serious price declines in the market values of minerals could cause the development of, and eventually the commercial production from, the Company's tenements to be rendered uneconomic. Depending on the prices of commodities, the Company could be forced to discontinue production or development and may lose its interest in some of its tenements. There is no assurance that a profitable market of minerals will exist from time to time.

Furthermore, the international price of various commodities is typically denominated in United States dollars, whereas the income and expenditure of the Company are and will be taken into account in Australian dollars, thereby exposing the Company to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international currency markets.

In addition to adversely affecting the Company and its financial condition, declining commodity prices can impact operations by requiring a reassessment of the feasibility of a particular project. Such a reassessment may be the result of a management decision or may be required under financing arrangements related to a particular project. Even if a project is ultimately determined to be economically viable, the need to conduct such a reassessment may cause substantial delays or may interrupt operations until the reassessment can be completed.

(16) *Acquisitions*

From time to time the Company may undertake acquisitions of additional interests in mining tenements and other assets. The successful implementation of such acquisitions will depend on a range of factors including funding arrangements, geographical issues, staff continuity and compatibility of equipment or infrastructure. If acquisitions are not successfully integrated within the Company's operations, the financial performance of the Company could be adversely affected. At the time of any such acquisitions the Company may decide that it is in the best interests of the Company and its Shareholders to fund the acquisition through the issue of further Shares. If this were to occur, it may result in the dilution of the ownership interests of Shareholders.

(17) *Changes in Laws and Government Policy*

The availability of rights to explore and mine, as well as industry profitability generally, can be adversely affected by changes in government policy and laws. The impact of actions by government may affect the Company's activities, including its access to land and infrastructure, compliance with environmental regulations, and exposure to taxation and royalties.

Changing attitudes to environmental land care, cultural heritage and indigenous land rights issues, together with the nature of the political process, provide the possibility of future policy changes. There is a risk that such changes may affect the Company's exploration plans or its rights and/ or obligations with respect to its tenements.

(18) *COVID-19*

The strain of severe acute respiratory syndrome coronavirus 2 (and associated infectious disease referred to as COVID-19) has been declared a global pandemic by the World Health Organisation.

COVID-19 is having a widespread and significant effect on global markets, business operation and is materially affecting the ability of many companies to conduct their planned or ongoing activities. The pandemic may delay, disrupt or prevent the Company from undertaking certain projects and accessing certain tenements as a result of state border restrictions and COVID-19 outbreaks.

The effect of COVID-19 may also delay, disrupt or prevent the Company's business partners from providing the Company with necessary goods or services, or accessing the Company's goods or services, as a result of policies implemented to address the pandemic either internally by the business or externally by a government or regulator.

The Company's share price and its ability to raise capital may be adversely affected in the short to medium term due to the ongoing economic uncertainty and disruption resulting from COVID-19.

(19) *Reliance on key personnel*

The Company currently employs a number of key management personnel, and Centrex's future depends on retaining and attracting suitably qualified personnel. The loss of key personnel could adversely affect the Company and its activities. The Company's success depends, in part, on its ability to identify, attract, motivate and retain suitably qualified management personnel. Competition for qualified staff is strong, and the inability to access and retain the services of a sufficient number of qualified staff could be disruptive to the Centrex's development efforts or business development and could materially adversely affect its operating results.

The Company has, as far as legally possible, established contractual mechanisms through employment and consultancy contracts to limit the ability of key personnel to join a competitor or compete directly with the Company. Despite these measures, however, there is no guarantee that the Company will be able to attract and retain suitably qualified personnel.

(20) *Litigation risk*

Legal proceedings may arise from time to time in the course of the Company's business and the Company cannot preclude the possibility that litigation may be brought against it, or that Centrex may be impelled to initiate litigation against other parties in order to protect its legal rights. Litigation involves considerable cost, uncertain outcomes and possibly adverse publicity which negatively impact on the trading price and liquidity of Shares.

As referred to in ASX announcements dated 10 September 2021, 14 October 2021 and 25 November 2021 (collectively "the Announcements"), the Company has previously received a dispute notice from Southern Cross Fertilisers Pty Ltd (ACN 004 936 850) in relation to a claim for a \$2m extension fee under the royalty deed for the Ardmere Phosphate Project (**Extension Fee**). Despite legal advice received that such fee is not payable by the Company, there is a risk that a further dispute may arise in relation to the Extension Fee, which may impact adversely on the Company's operations, financial performance and financial position. For more information, please refer to the Announcements.

(21) *Force majeure*

Force majeure describes events including acts of God, fire, flood, earthquakes, war and strikes beyond the control of a party claiming the occurrence of any such event. To the extent that a Force Majeure event occurs, it may have a detrimental effect on the ability of the Company to operate, its financial performance and the value and price of Shares.

(22) *Economic risk*

General economic conditions, introduction of tax reform, new legislation, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's business activities and potential development programmes, as well as their ability to fund those activities.

(23) *Government factors*

The introduction of new legislation or amendments to existing legislation by governments, and the decisions of courts and tribunals, can impact adversely on the assets, operations and, ultimately, the financial performance of the Company.

Any adverse developments in political and regulatory conditions in Australia could materially affect the Company's prospects. Political and environmental policy changes, such as changes in both monetary and fiscal policies, expropriation, methods and rates of taxation and currency exchange controls may impact the performance of the Company as a whole.

**2.14 Proposed use of funds**

Completion of the Placement and Offer will result in an increase in cash at hand of up to approximately \$16,018,691 million (before the payment of costs associated with the Offer).

The Company intends to apply the net funds raised from the Offer as follows:

<b>Use of Funds</b>	<b>Amount (A\$)</b>
Mining for the Initial Production Operation at the Ardmore Phosphate Rock Project	1,200,000
Plant & Equipment purchases for the Initial Production Operation	5,618,691
Front End Engineering Design ('FEED') for 800,000 tpa Production Plant	1,800,000
Further resource drilling at Ardmore	1,200,000
Full Production Plant Engineering	2,900,000
Working capital	2,300,000
Costs of the Offer	1,000,000
<b>Total</b>	<b>16,018,691</b>

The above is a statement of the Board's current intentions as at the date of this Offer Document. However, Shareholders should note that, as with any budget, the allocation of funds set out above may change depending on a number of factors, including the outcomes of operational and development activities, regulatory developments, market and general economic conditions. The Board therefore reserves the right to alter the way the funds are applied.

## 2.15 Effect of the Offer on the control of Centrex

### *Present position*

At the date of this Offer Document, the top 20 Shareholders of the Company are as follows:

Shareholder	Number of Shares	% of Total Share Capital
Dapop Pty Ltd <the Chrisp CXM A/C>	110,905,672	20.59%
Australia New Zealand Resources Corporation Pty Ltd	59,545,454	11.05%
Wisco International Resources Development & Investment Limited	40,399,599	7.50%
Baotou Iron & Steel (Group) Company Limited	21,900,000	4.06%
HSBC Custody Nominees (Australia) Limited	20,184,477	3.75%
Hongmen Pty Ltd <Hongmen Family A/C>	12,100,000	2.25%
J P Morgan Nominees Australia Pty Ltd	11,785,715	2.19%
CitiCorp Nominees Pty Ltd	8,495,668	1.58%
CS Third Nominees Pty Ltd	6,921,429	1.28%
Mr Melvin Boon Kher Poh	5,782,404	1.07%
Vingo Holdings Ltd	5,535,000	1.03%
Mr Ewe Ghee Lim & Miss Charlene Yuling Lim	3,750,000	0.70%
RL&JE Investments Pty Ltd	3,000,000	0.56%
Ms Lee Luang Yeo	2,940,971	0.55%
BNP Paribas Nominees Pty Ltd <IB AU NOMS RetailClient DRP>	2,696,862	0.50%
Amalgamated Diaries Limited	2,617,327	0.49%
Mr Yam Poey Chew	2,500,000	0.46%
Mr Lino Persico <The Persico Super A/C>	2,500,000	0.46%
Gerard Anderson Super Pty Ltd <Gerard Anderson SF A/C>	2,468,000	0.49%
Mr Dieter Urmersbach & Mrs Rosmarie Urmersbach	2,455,759	0.46%



### **Capital structure**

Subject to rounding up of fractional Entitlements, the capital structure of Centrex following the issue of New Shares under the Offer (assuming full subscription under the Offer) is expected to be as follows:

Key Data	No.
Shares on issue as at the date of this Offer Document	538,547,505
Maximum number of New Shares to be issued under the Offer	57,314,633*
Total number of Shares on issue following the close of the Placement and the Offer (assuming full subscription)	595,862,138*

\* These figures are approximate only and are subject to rounding.

### **Potential effects of the Offer on control of Centrex**

Under section 606 of the *Corporations Act*, a person cannot acquire a relevant interest in the issued voting shares of a company if, because of the transaction, a person's voting power in the company increases from 20% or below to more than 20% (or from a starting point that is above 20% and below 90%).

Section 611(10) of the *Corporations Act* provides, subject to certain conditions, an exception to the prohibition under section 606 of the *Corporations Act*. However, as:

- (a) the Offer is not being made to Shareholders who do not have a registered address (as shown on the Company's share register) in either Australia or New Zealand; and
- (b) the Company does not intend to appoint a Nominee for the purpose of section 615 of the *Corporations Act* (see section 2.16 below),

an increase in voting power that occurs as a result of taking up the Offer will not fall within the exception in section 611(10) of the *Corporations Act*.

Accordingly, if you want to apply for New Shares, it is your responsibility to ensure that if you are issued with New Shares in accordance with your Entitlement, or Shortfall Shares, as the case may be, you will not be in breach of section 606(1) of the *Corporations Act* (whether or not that is because you may rely on one of the exceptions in section 611 of the *Corporations Act*). If you are in any doubt as to the consequences of applying for New Shares you should seek independent legal advice

The potential effect that the issue of New Shares under the Offer will have on control of the Company is as follows:

- (a) if all Eligible Shareholders take up their Entitlements under the Offer, the issue of New Shares under the Offer will have no effect on the control of the Company and all shareholders will hold the same percentage interest in the Company, subject only to changes resulting from Ineligible Shareholders being unable to participate in the Offer;
- (b) if there is a Shortfall, Eligible Shareholders who do not subscribe for their full Entitlement of New Shares under the Offer, and Ineligible Shareholders unable to participate in the Offer, will be diluted relative to those shareholders who subscribe for some or all of their Entitlement; and

- (c) if there is a Shortfall, Shareholders who are not allotted Shortfall Shares will be diluted relative to those shareholders (if any) who are allotted Shortfall Shares above their entitlement by the Underwriter in accordance with the terms of the Underwriting Agreement.

#### **Potential Control Scenarios following the Rights Issue**

As at the date of this Offer Document, the substantial shareholders of the Company (and their related entities) are as follows:

Shareholder	Number of Shares	% of Total Share Capital
Graham Chrip <sup>1</sup>	170,451,126	31.65%
Wisco International Resources Development & Investment Limited	40,399,599	7.50%
Baotou Iron & Steel (Group) Company Limited	21,900,000	4.06%

- 110,905,672 Shares are held indirectly through Dapop Pty Ltd as Trustee for the Chrip CXM Trust (**Dapop**) and 59,545,454 Shares held indirectly through Australia New Zealand Resources Corporation Pty Ltd as Trustee for the Chrip Family Trust (**ANZ**). Dapop and ANZ are both companies related to Mr Graham Chrip who is a Director of the Company.

As Dapop and ANZ together hold a relevant interest exceeding 20% of the issued share capital of the Company, neither entities will be entitled to participate in the Offer. The other substantial shareholders will only be able to participate in the Offer to the extent that doing so will not increase their shareholdings above 20% of the issued capital of the Company.

#### **2.16 Rights issue exception not available**

No nominee has been appointed for Ineligible Shareholders under section 615 of the *Corporations Act* and, as such, Eligible Shareholders will not be able to rely on the exception for rights issues in item 10 of Section 611 of the *Corporations Act*. Accordingly, when an Eligible Shareholder applies for some or all of their Entitlement, they must have regard to section 606 of the *Corporations Act*. Eligible Shareholders who may be at risk of exceeding the 20% voting power threshold in Section 606 as a result of acceptance of the Entitlement Offer should seek professional advice before completing and returning the Entitlement and Acceptance Form.

### **3 HOW TO APPLY FOR NEW SHARES**

#### **3.1 What Eligible Shareholders may do**

The number of New Shares to which you are entitled is shown on the accompanying Entitlement and Acceptance Form.

You may:

- take up all of your Entitlement (refer to section 3.2 below);
- take up part of your Entitlement and allow the balance of your Entitlement to lapse (refer to section 3.2 below); or
- allow all of your Entitlement to lapse (refer to section 3.5 below).

### 3.2 Applying for New Shares

An Eligible Shareholder may take up all or part of their Entitlement by completing the Entitlement and Acceptance Form which accompanies this Offer Document and returning it to:

*Centrex Limited  
Boardroom Pty Limited  
GPO Box 3993  
Sydney NSW 2001*

by no later than 5:00 pm (ACST) on the Closing Date.

The Company may, but is not obliged to, accept an Application received after the Closing Date. If the Company does not accept an Application for any reason, the Company will refund any excess Application Monies to the Eligible Shareholder, without interest, not later than 10 Business Days after the New Shares are allotted.

Please note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

If you allow part of your Entitlement to lapse, your shareholding in Centrex will be diluted.

### 3.3 Form of payment

Payment of Application Monies will only be accepted in Australian currency and as follows:

(a) by BPAY®

Eligible Shareholders can make their payment by BPAY® in accordance with the instructions set out in accompanied personalised Entitlement and Acceptance Form.

**It is the responsibility of the Eligible Shareholder to ensure that their BPAY® payment is received by no later than 5:00pm (ACST) on the Closing Date** using the reference number on the Entitlement and Acceptance Form. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment.

The reference number is used to identify your holding. If you have multiple holdings you will have multiple reference numbers. You must use the reference number on each Entitlement and Acceptance Form to pay for each holding separately.

Eligible Shareholders making a payment by BPAY® are not required to return their Entitlement and Acceptance Form;

(b) by bank cheque drawn on and redeemable at any Australian bank; or

(c) by personal cheque drawn on and redeemable at any Australian bank.

Cheques or bank cheques should be made payable to **“Centrex Limited”** and crossed **“Not Negotiable”**.

Eligible Shareholders are asked not to forward cash, as cash payments will not be accepted. Receipts for payment will not be provided.

You should ensure that sufficient funds are held in the relevant account(s) to cover the full Application Monies.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares or is more than the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares (rounded down to the nearest whole New Share) which is covered in full by your Application Monies. Alternatively, the Company may in its discretion reject your Application, in which case any Application Monies will be refunded to you (without interest) by cheque to your registered address unless your nominated bank account has been provided to the Share Registry, in which case the refund will be paid by direct credit. Payments will be made in Australian dollars.

Noting the potential for delays in postage services resulting from COVID-19, the Company would urge all Applicants to leave sufficient time for their Entitlement and Acceptance Form to be received prior to the Closing Date, and would encourage Applicants to use BPAY®.

### **3.4 Effect of Application**

By applying for New Shares under an Offer (including by way of a payment through BPAY®), an Eligible Shareholder is taken to:

- (a) represent that they are an Eligible Shareholder, and are not in the United States and are not a person (including nominees or custodians) acting for the account or benefit of a person in the United States and are not otherwise a person to whom it would be illegal to make an offer or issue New Shares under the Offer;
- (b) agree to be bound by the terms and conditions set out in this Offer Document and the Entitlement and Acceptance Form;
- (c) represent on behalf of each person on whose account you are acting that you acknowledge that the New Shares have not been, and will not be, registered in any jurisdiction outside Australia or New Zealand, and accordingly the New Shares may not be offered, sold or otherwise transferred except in accordance with an available exemption from, or in a transaction not subject to, any other applicable securities laws;
- (d) authorise the Company to place the Eligible Shareholder's name on the Company's shareholder register in respect of those New Shares; and
- (e) agree to be bound by the Company's constitution.

### **3.5 Allowing your Entitlement to lapse**

If you do nothing, all of your Entitlement will lapse, in which case the New Shares comprising your Entitlement will form part of the Shortfall, and will be dealt with in accordance with the terms of this Offer (refer to section 2.8 above).

If you allow part of your Entitlement to lapse, your shareholding in the Company will be diluted.

### **3.6 Enquiries concerning Entitlement and Acceptance Form**

If you have any questions on how to complete the Entitlement and Acceptance Form or take part or all of your Entitlement, please contact Centrex's share registry, Boardroom Pty Ltd, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (AEDT), Monday to Friday.

## 4 ADDITIONAL INFORMATION

### 4.1 Reliance on Offer Document

This Offer Document has been prepared pursuant to section 708AA of the *Corporations Act*, as modified by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84, for the offer of New Shares without disclosure to investors under Part 6D.2 of the *Corporations Act*.

This Offer Document was lodged with ASX on Wednesday, 13 April 2022.

Section 708AA of the *Corporations Act* requires an entity who seeks to rely on the disclosure exemption in section 708AA to lodge a “cleansing notice” with ASX which:

- (a) sets out any information that had been excluded from a continuous disclosure notice in accordance with the ASX Listing Rules and that investors and their professional advisers would reasonably require, and would reasonably expect to find in a disclosure document, for the purpose of making an informed assessment of:
  - (i) the assets and liabilities, financial position and performance, profits and losses and prospects of Centrex; or
  - (ii) the rights and liabilities attaching to the New Shares; and
- (b) states the potential effect of the issue of the New Shares on control of Centrex and the consequences of that effect.

Centrex lodged a cleansing notice in respect of the Offer with ASX on Wednesday, 6 April 2022.

In deciding whether or not to apply for New Shares under the Offer, you should rely on your own knowledge of Centrex, refer to the documents lodged and the disclosures made by the Company on ASX (which are available on the ASX website at [www.asx.com.au](http://www.asx.com.au) (Centrex ASX Code: CXM)) and seek advice from your financial or professional adviser.

### 4.2 Interest of the Directors

The interest of the Directors and their related parties of the Company at the date of this Offer Document are as follows:

Director	Number of Shares held in Centrex
Mr Peter Hunt	NIL
Mr Robert Mencil	100,000
Mr Graham Chrisp	170,451,126
Dr A John Parker	NIL

### 4.3 Taxation

The Directors do not consider it appropriate to give shareholders taxation advice regarding the taxation consequences of subscribing for New Shares under this Offer Document. The Company, its advisers and its officers do not accept any responsibility or liability for any such taxation consequences to shareholders.

Shareholders should be aware that there may be taxation implications of participating in the Offer. Shareholders should consult their own professional taxation advisers to obtain advice in relation to the taxation laws and regulations applicable to their personal circumstances.

#### **4.4 Alteration of terms**

The Company reserves the right, at its discretion, to vary, suspend or cancel the Offer at any time, subject to the *Corporations Act*, the ASX Listing Rules and any other law or regulation to which the Company is subject.

Any variation, suspension or cancellation does not give rise to any liability on the part of or any action against, the Company or any Director and will be binding on all Eligible Shareholders.

If the Directors determine to suspend or cancel the Offer during the currency of the Offer, any Application Monies received by the Company will be refunded to Eligible Shareholders, without interest, as soon as reasonably practical after the suspension or cancellation and in any event within 10 Business Days after the Closing Date.

#### **4.5 Enquiries**

If you have any questions in respect of the Offer, please contact the Centrex's share registry, Boardroom Pty Ltd, on 1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia) between 9:00am and 5:00pm (AEDT), Monday to Friday.

#### **4.6 Directors' statement**

This Offer Document is issued by Centrex Limited. Each Director has consented to the lodgement of the Offer Document with ASX.

Signed on the date of this Offer Document on behalf of Centrex Limited by:



**Peter Hunt**  
Non-Executive Chairman  
Centrex Limited

## 5 DEFINITIONS

Terms and abbreviations used in this Offer Document have the following meaning:

<b>ACST</b>	Australian Central Standard Time.
<b>AEST</b>	Australian Eastern Standard Time.
<b>Applicant</b>	An Eligible Shareholder who has applied to subscribe for New Shares by submitting an Entitlement and Acceptance Form or arranging for payment through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.
<b>Application</b>	A valid application by way of an Entitlement and Acceptance Form accompanied by the relevant Application Monies, or arranging for payment of the relevant Application Monies through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form.
<b>Application Monies</b>	The aggregate amount payable for the New Shares applied for in a duly completed Entitlement and Acceptance Form or through BPAY®, calculated as the Issue Price multiplied by the number of New Shares applied for.
<b>ASIC</b>	Australian Securities and Investments Commission.
<b>ASX</b>	Australian Securities Exchange or ASX Limited (ABN 98 008 624 691) as the context requires.
<b>Business Day</b>	Has the same meaning as in the ASX Listing Rules.
<b>Centrex or the Company</b>	Centrex Limited (ACN 096 298 752) (ASX: CXM)
<b>Closing Date</b>	5:00pm (ACST) on Friday, 29 April 2022 (unless extended).
<b>Corporations Act</b>	<i>Corporations Act 2001</i> (Cth).
<b>Directors</b>	The board of directors of the Company.
<b>Eligible Shareholder</b>	A person who meets the requirements set out in section 2.4.
<b>Entitlement</b>	The entitlement of an Eligible Shareholder to apply for five (5) New Shares for every forty-two (42) Shares held on the Record Date.
<b>Entitlement and Acceptance Form</b>	The entitlement and acceptance form which accompanies this Offer Document.
<b>Group</b>	The Company and each entity controlled by the Company.

<b>Issue Price</b>	\$0.14 per New Share.
<b>Listing Rules or ASX Listing Rules</b>	The Listing Rules of ASX.
<b>New Share</b>	A Share to be issued pursuant to the Offer.
<b>Offer or Rights Issue</b>	The fully underwritten, non-renounceable pro rata offer to Eligible Shareholders to subscribe for five (5) New Shares for every forty-two (42) Shares at an Issue Price of \$0.14 per New Share pursuant to this Offer Document.
<b>Offer Document</b>	This document dated Wednesday, 13 April 2022, including the Entitlement & Acceptance Form.
<b>Placement</b>	The placement of up to approximately 57,104,593 (subject to rounding) Shares at an issue price of \$0.14 per Share to institutional, professional and sophisticated investors raising approximately \$8 million as announced to the ASX on Wednesday, 6 April 2022.
<b>Record Date</b>	5:00pm (ACST) on Monday, 11 April 2022.
<b>Share</b>	A fully paid ordinary share in the Company.
<b>Shortfall or Shortfall Shares</b>	Those New Shares not subscribed for by way of an Entitlement and Acceptance Form pursuant to this Offer Document by the Closing Date.
<b>Voting Power</b>	Has the meaning given to that term in the <i>Corporations Act</i> .



## 6 CORPORATE DIRECTORY

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### Directors

Peter Hunt - Non-Executive Chairman

Robert Mencil - Managing Director

Graham Chrisp - Non-Executive Director

Dr A John Parker – Non-Executive Director

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**ASX Code:** CXM

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### Company Secretary

Mr Jonathan Lindh

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### Registered Office

Level 6, 44 Waymouth Street  
Adelaide SA 5000  
Australia

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### Legal Advisers to the Offer

CBW Partners  
Level 1, 159 Dorcas Street  
South Melbourne VIC 3205  
Phone: +61 (0)3 8646 3833  
[www.cbwpartners.com](http://www.cbwpartners.com)

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### Share Registry

Boardroom Pty Limited  
Level 12, 225 George Street  
Sydney, New South Wales 2000  
1300 737 760 (within Australia) or +61 2 9290 9600 (outside Australia)

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