



ASX ANNOUNCEMENT

11 March 2022

Ardmore Phosphate Rock Project Update

Highlights

- **Construction commenced on outstanding Non-Process Infrastructure for the Initial Production Plant.**
- **First production of high-grade beneficiated product on schedule for July 2022.**
- **Continued high phosphate rock prices.**

Centrex Limited (ASX:CXM) ("Centrex" or the "Company") is pleased to provide an update on recent developments at the Company's flagship Ardmore Phosphate Rock Project.

ARDMORE PHOSPHATE ROCK PROJECT, QLD

Direct Application Rock Phosphate (DAPR)

Marketing efforts continue to promote DAPR sales. Sales continue to grow albeit from a small base. Pleasingly, we are now receiving repeat customer business.

Initial Production Plant

Centrex personnel mobilised to site late February 2022. Site construction commenced as scheduled early March 2022 and is expected to be completed by July 2022. To date, more than 18 truckloads of materials have been delivered to site and installed (Figures 1,2,3 and 4). The bulk of the remaining work is the completion of non-process infrastructure (power distribution and water supply).

Plant commissioning and first product is expected to take place in July 2022 with first shipment in August 2022.

The Company recently received minor amendment approval to its existing Environmental Approval. This allows the Company to recommence mining and undertake processing operations onsite. A preferred mining contractor has been selected and is expected to mobilise to site in April 2022.

Planning and contract discussions are well advanced for production and shipment of five individual 5,000 tonne trial parcels (25,000t total) to be sent to customers for their prequalification. Negotiations continue with these customers for potential longer term arrangements over the remaining 50% of uncommitted first right production offtake.

The Company is investigating the potential to operate the trial plant beyond the production of the initial trial shipments. This has the potential to provide early cashflow and further de-risk the project through greater customer acceptance.

Commercial Plant

Front Engineering and Design continues for the 800,00 tpa commercial plant.

GRES have been employed to complete the stage 1 scope of work (SOW), focusing on optimising the physical location of the process plant and is expected to take four months to complete.

Three potential plant locations are being examined in detail. These are the Ardmore site, a potential site near Mt Isa and Townsville. Initial results favour building the commercial plant at a site other than Ardmore.

PHOSPHATE ROCK PRICE / MARKET

The Company is closely monitoring recent positive developments in phosphate rock prices and restricted supply, which continue to support the development of the Ardmore Phosphate Rock Project.

High phosphate rock prices continue to be supported by strong demand and the restricted supply of Chinese fertilisers. The FOB North Africa (68-72% BPL) benchmark price for February 2022 was US\$172.5 per tonne (World Bank Commodities Price Data, 2 March 2022).

Phosphate rock supply is also being impacted by growing limits and bans on Russian phosphate rock. The Australian Government recently recognised agriculture chemicals current and future supply chain vulnerabilities through the Office of Supply Chain Resilience listing it as one of the categories considered important to Australia's national interest (<https://www.pm.gov.au/media/virtual-address-afr-business-summit>).

CRU, one of the world's leading analysts on Rock Phosphate, reports that OCP Morocco (the world's leading Phosphate Rock producer) are "now agreeing some 68-72% BPL phosphate rock contracts for the first quarter 2022 at \$245-300/t FOB", reflecting a \$90/t rise on the 2021 Q4 Morocco (68-72% BPL) price assessment at \$140-225/t FOB. (Feb 24 2022).

The Company's updated Definity Feasibility Study (DFS) in August 2021 used a benchmark phosphate price of US\$125 per tonne. The current US\$172.5 per tonne benchmark phosphate price represents a 38 % increase compared to US\$125 benchmark price used in the August 2021 DFS.

FUTURE MILESTONES

- Completion of the Initial Production Plant.
- Commissioning and first production from the Initial Production Plant.
- First shipment and sale.
- Finalise further offtake Agreements



Figure 1. Storage Container being lifted into position, Ardmore Phosphate Rock Project March 2022.



Figure 2. New fuel storage facility, Ardmore Phosphate Rock Project March 2022.



Figure 3. Initial Production Plant, Ardmore Phosphate Rock Project March 2022.



Figure 4. New office and crib rooms. Ardmore Phosphate Rock Project March 2022

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

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Forward Looking Statements

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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.