



ASX ANNOUNCEMENT

28 March 2023

## BINDING OFFTAKE AGREEMENT SIGNED WITH BALLANCE AGRI-NUTRIENTS

### Highlights

- Centrex signs binding offtake agreement with Ballance Agri-Nutrients for purchase of phosphate from Ardmore Phosphate Project
- The Offtake Agreement is for a term of 2.75 years with Ballance committed to purchase approximately 30,000 tonnes of phosphate in the first year with the second and third year allocations to be mutually agreed
- Centrex has allocated up to 20% of production at Ardmore towards the Ballance Offtake Agreement

Centrex Limited (ASX: CXM) (**Centrex** or **Company**) is pleased to announce that its wholly owned subsidiary, Agriflex Pty Ltd, has signed a binding offtake agreement (**Offtake Agreement**) with New Zealand based Ballance Agri-Nutrients Limited (**Ballance**) for the supply of phosphate rock from the Ardmore Phosphate Project.

The Offtake Agreement with Ballance represents Centrex's second offtake agreement signed to underpin sales of phosphate from the Ardmore Project in addition to the marketing agreement with Samsung C&T announced in February.

Under the terms of the Offtake Agreement, Ballance has agreed to purchase approximately 30,000 tonnes of phosphate from Ardmore in the first year. The parties will meet within 120 days of the end of each contract year to mutually agree the tonnages for each subsequent contract year.

On 12 May 2022, the Company announced the signing of a trial shipment with Ballance with Ballance completing its testing of the Product earlier this year and advising that they were satisfied with the results and performance of the Ardmore phosphate rock.

### **Management Comments:**

Comments attributable to Robert Mencil, Managing Director, Centrex Limited:

*"The signing of this offtake agreement with Ballance is another significant milestone for Centrex and the execution of our offtake strategy. We also see this as a stepping stone towards a long term relationship with Ballance and supplying our product into the lucrative New Zealand agricultural market."*

The supply of the phosphate rock under the Offtake Agreement is expected to commence on 1 April 2023.

The Company has set aside 20% of production at Ardmore to fulfill its projected allocation under the Offtake Agreement.

#### About Ballance

Ballance is a leading New Zealand farmer-owned fertiliser cooperative company which manufactures, supplies and sells fertilisers to farmers throughout New Zealand, as well as a full range of science based agricultural nutrient products.

#### Material Terms of Offtake Agreement

The material terms of the Offtake Agreement with Ballance is as follows

Clause	Term
<b>Supply</b>	Agriflex has agreed to supply approximately 30,000 tonnes of phosphate rock to Ballance in year one with the parties mutually agreeing the tonnages for years 2 and 3, which must be agreed within 120 days of the commencement of each contract year
<b>Additional Tonnages</b>	The parties may agree to additional tonnages in a contract year over and above an agreed allocation for a contract year
<b>Term</b>	2.75 years commencing from 1 April 2023 to 31 December 2025
<b>Product</b>	Phosphate Rock Typical 74% BPL grade from the Ardmore Phosphate Mine
<b>Pricing</b>	Price per tonne in USD to be agreed between the parties within 45 days prior to each Quarter for the following Quarter, with market price as a reference point in negotiations

The Offtake Agreement also contains other terms and conditions customary for an agreement of this type.

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

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## **Forward Looking Statements**

Certain statements in this document are or maybe “forward-looking statements” and represent Centrex’s intentions, projections, expectations or beliefs concerning among other things, future exploration activities. The projections, estimates and beliefs contained in such forward-looking statements necessarily involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Centrex, and which may cause Centrex’s actual performance in future periods to differ materially from any express or implied estimates or projections. Nothing in this document is a promise or representation as to the future. Statements or assumptions in this document as to future matters may prove to be incorrect and differences may be material. Centrex does not make any representation or warranty as to the accuracy of such statements or assumptions.

## **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.