



ASX ANNOUNCEMENT

26 April 2023

MOU SIGNED WITH NEUTROG AUSTRALIA TO JOINTLY DEVELOP NEW ORGANIC AND BIOLOGICAL FERTILISER PRODUCTS FOR THE BROADACRE MARKET

Highlights

- **Centrex's wholly owned subsidiary, Agriflex Pty Ltd, has signed a Memorandum of Understanding with Neutrog Australia to jointly develop new organic and biological fertiliser products**
- **The MOU signals first step in the development of potential new products for the broadacre farming industry**
- **Centrex explores potential new revenue source for Ardmore's fines product via collaboration with Neutrog**

Centrex Limited (ASX: CXM) ("Centrex" or "Company") is excited to announce that its wholly owned subsidiary, Agriflex Pty Ltd, has signed a strategic non-binding Memorandum of Understanding (**MOU**) with Neutrog Australia, a developer and manufacturer of specialist organic based, biologically-boosted fertilisers and liquid probiotics.

Agriflex and Neutrog propose to collaborate to jointly develop, produce and market organic and biological fertiliser products utilising phosphate rock tailings (fines) with the objective to monetise what is essentially a significant waste stream product from the Ardmore Phosphate Rock Mine.

The organic component of the product supplied by Neutrog (approx., 70% of total), contributes valuable bacteria and fungi and is coated with phosphorus-liberating microbes which will introduce nitrogen and acidity to enhance phosphorus bioavailability.

Commenting on the MOU, Centrex's Managing Director, Mr Robert Mencil said:

"Agriflex's existing Direct Application Phosphate Rock (DAPR) products currently service the pasture industry. The signing of this MOU is the first strategic step in Agriflex potentially producing a product for the Australian broadacre farmer and, in doing so, establishing a further income stream for the Company.

The aim is to produce a viable alternative to existing fossil fuel-based Nitrogen/Phosphorus broadacre fertilisers. Neutrog and Agriflex will seek to develop a biological fertiliser comprising largely organic waste enhanced with Agriflex's fines phosphate product that has the potential to increase farmer's soil carbon, reduce costs and CO2 intensity whilst maintaining current production levels.

Neutrog is an industry leader in the research, production, marketing and sales of biological fertilisers and the proposed partnership will benefit from the high quality of Agriflex's phosphate product and its skill and experience in operations, engineering, logistics and finance."

Trials of the fertiliser product will commence over the coming weeks.

About Neutrog

Neutrog Australia is a biological fertiliser company, developing and manufacturing innovative products used by leading agricultural, horticultural and viticultural producers, landmark gardens and home gardeners. Based at their 100% owned 20ha facility at Kanmantoo, 60kms southeast of Adelaide, Neutrog has evolved over 35 years into a premium brand with a high level of marketing visibility and trust. Neutrog has achieved consistent year-on-year growth and is now recognised nationally and internationally as a producer of optimum performing biological and organic products.

Key Terms of MOU

The non-binding MOU outlines the key terms of a proposed collaboration to jointly develop, produce and market new organic and biological fertiliser products (**Products**) utilising phosphate rock tailings (fines) from the Ardmore Rock Phosphate Project (**Proposed Transaction**).

The parties agree to negotiate in good faith binding transaction documents covering the key terms of the Proposed Transaction.

The MOU contains a binding exclusivity clause requiring the parties to negotiate exclusively in relation to the Proposed Transaction. As part of the terms of the MOU, the parties have agreed to investigate a suitable transaction structure to be agreed between the parties including, without limitation, to a joint venture or private company structure.

It is proposed that Agriflex will provide project management, technical, financial and commercial resources towards the development, production and marketing of the Products, with Neutrog providing the research, technical and marketing resources.

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 moving ahead with expansion of its wholly-owned Ardmore phosphate rock mine in Queensland, with production increasing to over 500,000 tonnes per annum (the first half of 2024). Centrex 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 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.

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.