



ASX ANNOUNCEMENT

6 April 2022

Centrex to Raise \$16m via Share Placement and Entitlement Offer

Highlights

- Centrex is pleased to announce that it has received binding firm commitments for a Share Placement to raise \$8m from sophisticated and professional investors
- Centrex also announces a 5:42 Entitlement Offer at \$0.14 to raise up to a further \$8m, with firm sub-underwriting commitments for the total Entitlement Offer amount obtained by Lead Manager Taylor Collison
- Net proceeds will be used to support the development of the Ardmore Phosphate Project and facilitate early sustainable cash flow

Centrex Limited (ASX:CXM) (**Centrex** or the **Company**) is pleased to announce that it has received binding firm commitments for a share placement of 57.1m ordinary shares to institutional, professional and sophisticated investors (**Placement**) at an issue price of \$0.14 per share to raise gross proceeds of approximately \$8m.

The Company is also pleased to announce the launch of a 5 for 42 pro-rata, non-renounceable entitlement offer to Eligible Shareholders (**Entitlement Offer**) to raise up to a further \$8 million. The new fully paid ordinary shares (**New Entitlement Shares**) to be issued pursuant to the Entitlement Offer will be offered at the same price as issued under the Placement, being \$0.14 per share (**Offer Price**). The Offer Price represents a 33.3% discount to the last traded price on 1 April 2022 and an 11.8% discount to the 15-day volume weighted average trading price (**VWAP**) of the Company's shares ending on 1 April 2022.

The Company has been advised by Taylor Collison Limited (ACN 008 172 450) (**Taylor Collison**) that it has obtained firm sub-underwriting commitments totalling approximately \$8m, representing the total amount to be raised under the Entitlement Offer. Subject to the negotiation of commercial terms, the Company intends to enter into an underwriting agreement with Taylor Collison on or before the issue of the offer booklet in respect of the Entitlement Offer. The Company will update the market in relation to the proposed underwriting arrangements once they are finalised. Taylor Collison has been appointed as sole lead manager to the Placement and Entitlement Offer.

The Placement and the Entitlement Offer (together the **Capital Raising**) will raise up to a total of approximately \$16 million before costs.

Centrex's Managing Director Robert Mencil said:

"We are delighted with the strong support we have received for the Capital Raising from high-quality new and existing sophisticated and institutional investors. The Capital Raising marks an important milestone for the Company, allowing us to continue to develop the Ardmore Project at a time of globally high rock phosphate prices. The capital raised will allow Agriflex (Centrex's wholly owned subsidiary) to grow Ardmore's resource and reserves, lift production levels, reduce operating costs and increase the project's value"

Use of Funds

The funds raised from the Placement and Entitlement Offer will be used by the Company as follows:

Use of Funds	Amount (A\$)
Mining for the Initial Production Operation at the Ardmore Phosphate Rock Project	1.2 m
Plant & Equipment purchases for the Initial Production Operation	5.6 m
Front End Engineering Design ('FEED') for 800,000 tpa Production Plant	1.8 m
Further resource drilling at Ardmore	1.2 m
Full Production Plant Engineering	2.9 m
Working capital	2.3 m
Costs of the Offer	1 m
Total	16 m

Placement

The Placement will involve an allotment of 57,104,593 (subject to rounding) new ordinary shares to sophisticated and professional investors on 12 April 2022 at an issue price of \$0.14 each to raise up to \$8 million. The new shares to be issued in connection with the Placement will be issued under CXM's existing Listing Rule 7.1 placement capacity (57,104,593 shares) and will settle on Monday 11 April 2022.

Entitlement Offer

The Entitlement Offer will comprise an issue of up to a total of 57,314,633 New Entitlement Shares (subject to rounding) at an issue price of \$0.14 each per share to raise approximately \$8,024,048.

The Entitlement Offer is non-renounceable. Accordingly, there will be no trading of rights on the ASX, and shareholders may not dispose of their rights to subscribe for shares under the Entitlement Offer to any other party.

Eligible Shareholders can choose to take up all, part, or none of their entitlements.

All New Entitlement Shares issued under the Entitlement Offer will rank equally with existing ordinary shares on issue in the Company. Any entitlements not taken up by Eligible Shareholders under the Entitlement Offer will be allocated to the Underwriter in accordance with the proposed underwriting arrangements to be entered into with the Company prior to the issue of the offer booklet.

Eligibility to participate in the Entitlement Offer

The Entitlement Offer will be made to Eligible Shareholders on the basis of the number of ordinary shares held in the Company at 5.00pm (ACST) on Monday, 11 April 2022.

Eligible Shareholder are those shareholders on the Record Date with a registered address in Australia or New Zealand (**Eligible Shareholder**).

Timetable

The proposed timetable for the Entitlement Offer is as follows:

Key Dates	
Announcement of the Offer and Placement Lodgement of Appendix 3B and Notice under section 708AA(2)(f) of the Corporations Act	Wednesday, 6 April 2022
Offer Ex Date Company shares trade on an ex-basis for the Offer	Friday, 8 April 2022
Offer Record Date	5:00 pm (ACST) Monday, 11 April 2022
Allotment of New Shares pursuant to the Placement	Tuesday, 12 April 2022
Offer Opening Date Lodgement of Offer Booklet & Cleansing Notice with ASX Dispatch of Offer Booklet, Entitlement & Acceptance Forms 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
Offer Closing Date	5:00pm (ACST) Friday, 29 April 2022
Quotation on a deferred settlement basis	Monday, 2 May 2022
Offer Shortfall Notification Date Company announces results of the Offer and notifies ASX of under-subscriptions (if any)	Wednesday, 4 May 2022
Offer Allotment Date Issue date under Offer – Deferred settlement trading ends Lodgement of Appendix 2A	Friday, 6 May 2022
Offer Trading Date Normal trading of New Shares to commence on ASX	Monday, 9 May 2022

The dates set out above are indicative only and the Company reserves the right to vary the dates, including the right to extend the Closing Date, or to withdraw the Entitlement Offer without prior notice (subject to

the *Corporations Act 2001* (Cth) (**Corporations Act**), the ASX Listing Rules and any other applicable laws). Any extension of the Closing Date will have a consequential effect on the date for the allotment of the New Entitlement Shares.

Cleansing Notice under Section 708AA(2)(f)

For the purposes of section 708AA(2)(f) of the Corporations Act, the Company advises that:

- (a) the Shares to be issued pursuant to the Entitlement Offer will be offered for issue without disclosure under Part 6D.2 of the Corporations Act;
- (b) this notice is being given under section 708AA(2)(f) of the Corporations Act as modified by the *Corporations (Non-Traditional Rights Issues) Instrument 2016/84* of the Australian Securities and Investments Commission (**ASIC Instrument**);
- (c) as at the date of this notice, Centrex has complied with:
 - (i) the provisions of Chapter 2M of the Corporations Act as they apply to Centrex; and
 - (ii) sections 674 and 674A of the Corporations Act;
- (d) as at the date of this notice, there is no “excluded information” of the type referred to in sections 708AA(8) and 708AA(9) of the Corporations Act that is required to be set out in this notice under section 708AA(7)(d) of the Corporations Act as modified by the ASIC Instrument; and
- (e) the potential effect that the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand. However, given the size of the Entitlement Offer, the composition of Centrex’s share register and the proposed structure of the Entitlement Offer as an underwritten, non-renounceable, pro rata offer, Centrex does not expect the Offers to have any material effect or consequence on the control of the Company. Further details in respect of the potential effect that the Offers may have on the control of the Company is provided in the Offer Booklet.

This announcement is not a Prospectus. Any person considering acquiring securities under the Entitlement Offer should read the Offer Booklet carefully. Applications for shares under the Entitlement Offer may only be made using the Entitlement and Acceptance Form to be attached to, or accompanying the Offer Booklet. Securities will only be issued on the basis of an Entitlement and Acceptance Form issued together with the Offer Booklet.

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

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ABOUT CENTREX

Centrex Limited is looking to enhance 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 of these projects are necessary ingredients for global food production and human nutrition.

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 and mining 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.