



CENTREX

ASX ANNOUNCEMENT

16 April 2024

MOU SIGNED WITH LITHIUM AUSTRALIA LIMITED TO PURSUE GROWTH OPPORTUNITIES IN THE LFP BATTERY MARKET

Centrex Limited (ASX: CXM) ('Centrex' or 'the Company') provides the following update for the Ardmore Rock Phosphate Mine ('Ardmore'), 100% owned by its wholly owned subsidiary, Agriflex Pty Ltd ('Agriflex').

MOU SIGNED WITH LITHIUM AUSTRALIA

Centrex is pleased to announce that Agriflex has entered into a Non-Binding Memorandum of Understanding ('MOU') with Lithium Australia Limited (ASX: LIT) ('Lithium Australia'). Lithium Australia is an ASX-listed company that has developed proprietary technology to produce cathode powders, including lithium ferro phosphate ('LFP') and lithium manganese ferro phosphate ('LMFP').

As previously announced¹, Centrex is actively pursuing value-add opportunities for Ardmore, including within the LFP battery market vertical. Given the high-grade and low impurity profile of Ardmore's resource, Centrex believes it has a significant competitive advantage over peers to produce high-quality, low-impurity phosphoric acid suitable for the LFP battery market. The MOU represents a potential pathway to the LFP battery market via the supply of phosphoric acid ('Phosphate Product') from Agriflex to Lithium Australia for the purposes of producing LFP or LMFP ('Phosphate Offtake').

MOU DETAILS

The MOU envisages the construction of a demonstration plant ('Demonstration Plant') of LFP or LMFP by Lithium Australia, potentially to be located in Queensland. The Demonstration Plant will have an estimated capacity of 250tpa of LFP or LMFP (requiring approximately 200-300tpa of phosphoric acid).

Following the successful operation of the Demonstration Plant and the pre-qualification of the cathode powders, Lithium Australia will seek to construct a commercial plant ('Commercial Plant') with an estimated capacity of approximately 25,000tpa LFP or LMFP (requiring approximately 20kt-25ktpa of phosphoric acid). Potential subsequent expansions to Commercial Plant capacity will be made in line with market requirements.

Both Agriflex and Lithium Australia will provide support to the MOU and will seek to progress towards a conditional binding offtake agreement for Phosphate Offtake. Lithium Australia will provide technical input and testing of phosphate samples from Agriflex in respect to their suitability for producing LFP and LMFP. Agriflex will conduct a study to produce phosphoric acid in Queensland and will provide Lithium Australia with Phosphate Product specifications.

The MOU has commenced upon signing with a term of 24 months, or such later date that is agreed in writing between the parties.

¹ See ASX announcement 27 April 2023 & 19 December 2023

MANAGEMENT COMMENTARY

Robert Mencil, CEO and Managing Director of Centrex Ltd, commented:

"We are excited to enter into this MOU with Lithium Australia, an Australian company that has developed significant know-how and expertise in the rapidly growing LFP battery market space.

As China currently dominates the global battery supply chain, concerns about supply security have led to increasing investment being driven towards more reliable jurisdictions, such as Australia. With Australia's significant lithium production base and the emerging global trend towards adopting LFP battery technology, the opportunity to establish an LFP battery operation in Australia is substantial. The Australian Government's recent decision to include phosphorous on its Strategic Minerals List also underscores the emerging opportunity for a domestic LFP battery operation.

As previously announced, the Ardmore Phosphate Mine possess significant potential to capitalise on several lucrative market verticals due to its high-grade phosphorous and low-impurity content. With respect to producing high-quality and low impurity phosphoric acid suitable for the LFP market vertical, we believe Ardmore has a substantial competitive advantage relative to its peers both domestically and globally.

We look forward to collaborating with Lithium Australia and our other partners on this exciting opportunity."

Simon Linge, CEO and Managing Director of Lithium Australia Limited, commented:

"The signing of an MOU with Centrex, a leading phosphate concentrate producer, is an exciting progression in Lithium Australia's commitment to commercialising the company's LFP and LMFP technologies. LFP and LMFP based batteries continue to experience rapid adoption amongst EVs globally, with China's current dominance of the global LFP battery supply chain driving many governments to implement policies to secure future access to critical minerals and seek diversification of supply chains.

The MOU between Lithium Australia and Centrex highlights our commitment to building a battery supply chain domestically in Australia, which can provide global battery manufacturers an alternative supply source for LFP and LMFP. We look forward to working alongside Centrex to progress the development of a demonstration plant."

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 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.

About Lithium Australia Limited

Lithium Australia is aiming to lead and enable the global transition to sustainable lithium production. The Company operates Australia's market leading battery recycler, produces critical battery material lithium ferro phosphate (LFP), and has developed a patented lithium extraction technology. Lithium Australia's revenue-generating recycling business and technologies are well-placed to capitalise on growing global lithium-ion battery demand and provides diversification benefits to global supply chains.

Past and future performance –This Announcement contains forward looking statements. Forward-looking statements generally relate to current expectations, hopes, beliefs, intentions, strategies or productions about future events or Centrex's future financial or operating performance. For example, statements regarding anticipated growth in the industry in which Centrex operates and anticipated growth in demand for Centrex's products and services, projections of Centrex's future financial results and other metrics are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "pro forma", "may", "should", "could", "would", "might", "plan", "possible", "project", "strive", "budget", "targets", "aims", "outlook", "guidance", "forecast", "expect", "intend", "will", "estimate", "anticipate", "believe", "perceives", "predict", "potential" or "continue", or the negatives of these terms or variations of them or similar terminology, but the absence of these words does not mean that a statement is not forward-looking. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. These forward looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance and may involve known and unknown risks, uncertainties and other factors, many of which are outside the control of Centrex. You are cautioned not to place undue reliance on any forward looking statement. Forward looking statements in this Announcement are based on assumptions and contingencies which are subject to change without notice. Actual results, performance or achievements may vary materially from any forward looking statements and the assumptions on which statements are based. The forward looking statements in this Announcement are based on information available to Centrex as at the date of this Announcement and nothing in this Announcement should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. Except as required by law or regulation, Centrex its related bodies corporate and their respective officers, employees and advisers disclaim any obligation or undertaking to provide any additional or updated information whether as a result of new information, future events or results or otherwise.