

Centrex Limited

Annual Report 2024

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Centrex Limited Chairman's report

Dear Shareholders,

On behalf of Centrex Limited's Directors and senior management, I am pleased to present the Group's Annual Report for the 2024 Financial Year.

Throughout the year, Centrex has remained focused on its core strategy: scaling production at its wholly owned Ardmore Rock Phosphate Mine. The rationale behind this strategy is that it will translate into reduced operating costs on a per-tonne basis while also enabling larger shipment sizes and thus greater access to international markets. Both of these factors are expected to contribute to the Group's goal of achieving sustainable, long-term positive operating cash flow from Ardmore.

Centrex was able to advance Stage 1.5 Expansion at Ardmore after successfully securing A\$20 million in funding early in the second half of the 2024 Financial Year. Funding was comprised of a well-supported placement and Share Purchase Plan, as well as a debt financing package from National Australia Bank, both of which we consider to be a strong endorsement of our strategy and long-term vision. The Stage 1.5 Expansion represents a significant opportunity for Centrex, as it allows for production to be scaled at Ardmore in a less capital-intensive manner than what was outlined in its 2021 Definitive Feasibility Study.

Pleasingly, significant progress has already been made on the Stage 1.5 Expansion, which is now well advanced and already contributing towards the Group's long-term goals. While ongoing work and challenges remain—as common to many mines during an expansion and ramp-up phase—the Group's efforts to date have already led to greater operational outcomes and efficiencies. As reflected in the Group's June 2024 Quarterly Report, key production and operating metrics at Ardmore have already risen sharply late in the 2024 Financial Year.

In addition to scaling production, Centrex also continues to explore opportunities that can leverage the unique attributes of the Ardmore deposit, particularly its low impurity profile. These opportunities are reflected in the Memorandums of Understanding in the LFP battery and Dicalcium Phosphate (DCP) market verticals that were entered into during the Financial Year. Centrex is also actively pursuing opportunities to monetise its Amplify product, which could potentially create an additional complementary revenue stream to its concentrate sales.

Finally, I would like to take this opportunity to acknowledge the departure of Mr. Graham Chrisp, who resigned as a Non-Executive Director of Centrex subsequent to the end of the 2024 Financial Year. Mr. Chrisp was a founding director of Centrex and has contributed significantly to the Company over the past 20 years.

Looking ahead, the Centrex team remains dedicated and tireless in their efforts to execute the Group's strategy. I wish to thank my fellow directors, employees, and all shareholders for their continued support as we continue the Stage 1.5 Expansion at Ardmore.

Kind Regards



Mr Peter Hunt

Chairman

Centrex Limited

Managing Director' report

Dear Shareholders,

During the 2024 Financial Year Centrex Limited (Centrex) continued to successfully develop its Ardmore Rock Phosphate Mine (Ardmore) which is owned by its wholly owned subsidiary Agriflex Pty Ltd (Agriflex). The focus of Centrex is to award shareholders by unlocking the latent value and cashflow potential of its assets. In pursuit of this goal, Centrex has continued scaling production and implementing the Stage 1.5 Expansion at Ardmore.

Pleasingly, production from Ardmore has grown significantly over the past 12 months, thanks to the ongoing efforts of our team. However, despite the positive progress made to date, it is worth noting that the 2024 Financial Year presented several unanticipated challenges that impacted upon the speed of our progress at Ardmore:

- Record rainfall and Tropical Cyclone Kirrily in the third quarter of the 2024 Financial Year caused significant downtime on the Mt Isa rail line, disrupting logistics;
- Securing finance for the Stage 1.5 Expansion faced unanticipated delays, affecting the timely procurement of required capital and long lead items; and
- Delays in the installation of additional cyclone banks at our processing plant reduced the scope for running higher hourly throughput rates sooner.

Despite these initial setbacks, Centrex is now more than halfway through the Stage 1.5 Expansion at Ardmore. Centrex is well positioned to recover from the challenges faced during the 2024 Financial Year, as production and operating costs at Ardmore have continued to progressively improve. Additionally, Centrex is on track to enhance its sales profile. As of the date of this report, anticipated sales for Q3 Calendar Year 2024(CY2024) are expected to hit a record ~75,000 tonnes of beneficiated phosphate concentrate. This result will compare favourably to the 30,942 tonnes (3.5% moisture) achieved during Q2 CY2024.

As is well known, operational enhancements, such as Centrex's Stage 1.5 Expansion, typically have a delayed impact on a Group's financial reporting. The Stage 1.5 Expansion began in earnest in the last quarter of the 2024 Financial Year with the introduction of a night shift at the processing plant, and later, night shift waste removal activities. Despite its late start in the financial year, the Stage 1.5 expansion has already made a significant impact on Centrex's production ramp-up efforts and financials, which is reflected in this annual report. This impact can be seen, as compared to the 2023 Financial Year, across the following metrics:

- Inventory growing by \$8.38m (measured at cost) during the Financial Year. Inventories underpin Centrex's stockpiling strategy at Ardmore, which allows for progressively larger shipments that in turn will contribute towards reduced operating costs on a per tonne basis. Growth in inventories was supported by a 95% increase in mined ore, 72% increase in crushed ore and 77% increase in plant feed in FY2024 compared to FY2023.
- Cost of sales across categories were in line or improved relative to the ~155% increase in tonnes sold in FY2024 (FY2023: 45,590t sold, FY2024: 116,062t sold). These costs of sales categories include:
 - Mining expenses only rising by ~25%, from \$6.84m to \$8.58m, translating to a 50.7% reduction on a cost per tonne sold basis.
 - Crushing expenses were reduced by ~25%, from \$3.59m to \$2.69m, translating to a 70.6% reduction on a cost per tonne sold basis. This reduction reflects the benefit of Centrex's strategic shift towards owner-operator crushing which came into effect in November 2023.
 - Processing and drying expenses decreased by ~29.6%, from \$4.64m to \$3.27m, translating to a 72.3% reduction on a cost per tonne sold basis. This result is due to operational efficiencies unlocked by greater drying pad efficiency and performance, reduced product handling and the pivot towards 24/7 processing (which commenced in April 2024). This achievement was also accompanied with reductions in the average moisture content of beneficiated phosphate concentrate production in FY2024 compared to FY2023.
- An increase in freight expenses from \$8.34m to \$20.43m, representing a 145% increase in freight expenses and translating to a 3.8% reduction on a cost per tonne basis. However, FY2024 freight expense includes the ~\$4.147m contract minimum charge (as announced on 7th June 2024), which was successfully restructured for repayment to Aurizon in monthly instalments over the FY2025 year. Additionally, this figure includes an extra \$1.18 m in road haulage costs which are yet to be invoiced. Consequently, underlying freight expenses performed better relative to the 155% increase in tonnes sold during the period, and reflects the growing scale of the operation at Ardmore.

Centrex Limited Managing Director' report

- Separately, it is also significant to note that the initial financing for the crusher was refinanced in August 2024 by the equipment finance portion of National Australia Bank's debt financing package. This refinancing is expected to reduce the associated financing costs of the crusher moving ahead (and is not reflected as part of crushing expenses listed above).

Outside of the achievements reflected in this year's financial reporting, other key milestones during the 2024 Financial Year period include:

- In July 2023, Agriflex entered into a binding offtake agreement with Ravensdown, a leading New Zealand farmer-owned co-operative.
- In August 2023, Centrex raised A\$4.25m via a placement and launched a share purchase plan, which subsequently raised an additional \$0.18m. Funds from the placement and SPP were used to accelerate the Group's Stage 1.5 Expansion plans at Ardmore.
- In September 2023, Agriflex loaded a new record shipment of 17,263t of beneficiated phosphate concentrate on vessel for export to an overseas customer. Agriflex also began the process of shifting from contract crushing to owner crushing in order to further reduce its operating costs.
- In October 2023, Agriflex launched a new lower moisture product. This initiative is reflective of Agriflex's ongoing efforts to optimise its operations and its commitment to producing higher-quality products.
- In November 2023, Centrex received a commissioned report prepared by SA Water, which illustrated how Ardmore's apatite could potentially serve as a very effective low-cost technology solution for Phosphorous removal. Additionally, Agriflex entered into an MOU with Cleveland Chemical Bay Company, to explore the feasibility of manufacturing Dicalcium Phosphate (DCP).
- Centrex also reported the successful loading of another new record shipment 20,510t of beneficiated phosphate concentrate. Finally, all crusher components for Ardmore had arrived on site, with the crusher being made operational by the end of the month.
- In February 2024, Centrex raised \$8m of placement funds, and launched a SPP targeting a further \$2m, which was successfully completed. This equity funding was followed shortly by a ~\$10m debt financing package from National Australia Bank. The combined debt and equity proceeds were allocated to required capital items for the Stage 1.5 Expansion at Ardmore as well as the associated working capital with respect to production ramp-up.
- In April 2024, Agriflex commenced 24hr/day processing at Ardmore following the installation of additional accommodation on-site. Further, Agriflex entered into a non-binding MOU with Lithium Australia, to explore the potential supply of phosphoric acid for the production of cathode powders, including lithium ferro phosphate (LFP) and lithium manganese ferro phosphate (LMFP).

Looking ahead, the primary focus for Centrex remains on fully implementing the Stage 1.5 Expansion at our flagship Ardmore Rock Phosphate Mine, where we anticipate achieving a production run-rate of 625ktpa of beneficiated phosphate concentrate upon completion. Increased output from Ardmore will not only enhance sales volumes but is also expected to significantly reduce operating costs to approximately A\$160-A\$180/t (FOB Townsville). Larger shipment sizes are also anticipated to improve our Company's international competitiveness, providing greater sales opportunities for Ardmore's premium concentrate product globally.

On behalf of the Board, I thank all of our employees for their contribution to Agriflex and Centrex throughout the year. I would also like to acknowledge the support of our suppliers and contractors who continue to play a significant role in our success.

Kindest regards



Mr Robert Mencil
Managing Director

Centrex Limited

Mining Exploration Entity Annual Reporting Requirements

LIST OF TENEMENTS IN WHICH THE GROUP HAS AN INTEREST

TENEMENT LIST			AS AT 30 TH JUNE 2024	
Location	Licence number	Description	Held by:	Interest %
Queensland	ML 5542	Ardmore Phosphate Rock Mine	AgriF ¹	100
	EPM 26551	Ardmore EPM 26551	AgriF ¹	100
	EPM 26568	Ardmore EPM 26568	AgriF ¹	100
	EPM 26841	Ardmore EPM 26841	AgriF ¹	100
	EPM 28684	Duchess EPM 28684	AgriF ¹	100
Western Australia	E70/4318	Oxley C	CPot ²	100
	E70/5976	Oxley	CPot ²	100
	E70/5977	Oxley	CPot ²	100
	E70/5978	Oxley	CPot ²	100
New South Wales	EL 7388	Goulburn	LM ³	100

Wholly owned subsidiaries of Centrex Limited:

¹ Agriflex Pty Ltd

² Centrex Potash Pty Ltd

³ Lachlan Metals Pty Ltd

Centrex Limited

Mining Exploration Entity Annual Reporting Requirements

ANNUAL REVIEW OF MINERAL RESOURCES AND ORE RESERVES

The information included in the tables below was prepared in accordance with the JORC Code 2012. The Group confirms that it is not aware of any new information or data that materially affects the information included in the table and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not changed.

PHOSPHATE MINERAL RESOURCES BY AREA			AS AT 30 TH JUNE 2024	
Location	Resource Classification	Tonnage (Mt)	Head Grade	
			P ₂ O ₅ (%)	Cut-off grade P ₂ O ₅ (%)
Ardmore Phosphate Rock Mine	Measured	2.7	29.7	16.0
	Indicated	11.0	27.4	16.0
	Inferred	1.7	26.8	16.0
	Total	15.4	27.8	16.0

PHOSPHATE ORE RESERVE ESTIMATE		AS AT 30 TH JUNE 2024	
Ore Reserve Category	Tonnage (Mt)	P ₂ O ₅ (%)	
Probable	7.3	30.2	
Proven	2.2	30.3	
Total Ore Reserves	9.5	30.2	

POTASSIUM MINERAL RESOURCES BY AREA			AS AT 30 TH JUNE 2024	
Location	Resource Classification	Tonnage (Mt)	Head Grade	
			K ₂ O (%)	Cut-off grade K ₂ O (%)
Oxley Potassium Project	Measured	-	-	-
	Indicated	-	-	-
	Inferred	154.7	8.3	6.0
	Total	154.7	8.3	6.0

Centrex Limited

Mining Exploration Entity Annual Reporting Requirements

COMPARISON OF ANNUAL MINERAL RESERVES AND RESOURCES STATEMENT TO THE PRIOR YEAR

The table below summarises the changes that took place as far as the Group's mineral resources and reserves are concerned. The information contained in this table should be read in conjunction with the detailed resource and reserve information provided above.

Location	Resource or Reserve	Tonnage (Mt)		Notation
		30/6/2024	30/6/2023	
<u>Phosphate</u>				
Ardmore	Resource	15.4	15.8	Mining depletion
Ardmore	Reserve	9.5	9.8	Mining depletion
<u>Potassium</u>				
Oxley	Resource	154.7	154.7	No change.

SUMMARY OF GOVERNANCE ARRANGEMENTS AND INTERNAL CONTROLS IN PLACE FOR THE REPORTING OF MINERAL RESOURCES AND ORE RESERVES

Mineral Resources and Ore Reserves are estimated by suitably qualified consultants in accordance with the JORC Code, using industry standard techniques and internal guidelines for the estimation and reporting of Ore Reserves and Mineral Resources. These estimates and the supporting documentation are then reviewed by suitably qualified Competent Persons from the Group.

All Ore Reserve estimates are prepared in conjunction with feasibility studies which consider all material factors.

The Mineral Resources and Ore Reserves Statements included in the Annual Report are reviewed by suitably qualified Competent Persons from the Group prior to its inclusion.

CROSS REFERENCING OF THE RESOURCES ANNOUNCEMENTS

For more detail regarding the Oxley resources please see the announcement of 8th March 2016.

<http://www.asx.com.au/asxpdf/20160308/pdf/435nrchjm48mjl.pdf>

For more detail regarding the Ardmore resources please see the announcement of 1st June 2018.

<https://www.asx.com.au/asxpdf/20180601/pdf/43vgxdjlpqscwb.pdf>

For more detail regarding the Ardmore reserves please see the announcement of 8th October 2018.

<https://www.asx.com.au/asxpdf/20181008/pdf/43z1q8nvm95k58.pdf>

Centrex Limited

Mining Exploration Entity Annual Reporting Requirements

COMPETENT PERSONS & FORWARD-LOOKING STATEMENTS

The information in this report relating to Exploration Results (contained in the Managing Director's report) is based on information either compiled or reviewed by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is the General Manager Exploration of Centrex Limited. Mr Watts has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to the Mineral Resources of the Oxley Potassium Project is based on and accurately reflects information compiled by Ms Sharron Sylvester of OreWin Pty Ltd, who is a consultant and adviser to Centrex Limited and who is a Member of the Australian Institute of Geoscientists (RPGEO). Ms Sylvester has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity she is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Ms Sylvester consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report relating to Mineral Resources of the Ardmore Phosphate Rock Project is based on and accurately reflects information compiled by Mr Jeremy Clark of Lily Valley International Limited, who is a consultant and adviser to Centrex Limited and who is a Member of the Australian Institute of Geoscientists and AusIMM. Mr Clark has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Clark consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to Ore Reserves is based on information compiled by Mr Ben Brown, a Competent Person who is a Member of The Australasian Institute of Mining and Metallurgy. Ben Brown is employed by Optima Consulting and Contracting Pty Ltd, an external independent consultancy. Ben Brown has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Ben Brown consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Past and future performance –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", "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

Centrex Limited
Directors' report
30 June 2024

The Directors present their report together with the consolidated financial report of Centrex Limited ("Company") and its controlled entities ("Group"), for the financial year ended 30th June 2024 and the auditor's report thereon.

<u>Section</u>	<u>Contents of Directors' Report</u>
1	Directors and the Company Secretary
2	Executives considered to be Key Management Personnel
3	Directors' Meetings
4	Corporate Governance Statement
5	Principal Activity
6	Operating and Financial Review
7	Remuneration Report (audited)
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15	Lead Auditor's Independence Declaration

1. Directors and the Company Secretary

1.1 Directors

The directors in office at any time during or since the end of the financial year are:

Name and Qualifications	Position, Experience and special responsibilities
Mr Peter Hunt FCA Appointed 15/12/20 Chairman since 30/06/21	<u>Chairman – Non-executive Director – Independent</u> Mr Hunt was appointed initially as a Non-Executive Director of the Company on 15 December 2020. He was a former consultant to BDO Australia, which acquired PKF Adelaide of which Mr Hunt was senior partner in 2012. He is a member of the Chartered Accountants Australia & New Zealand. Mr Hunt is an experienced company director and has been a Director and Chairman over several decades of a number of ASX listed mineral exploration and technology-oriented companies. Mr Hunt is a member of the Group's Remuneration and Nomination Committee and Audit and Risk Committee. In the three years prior to 30 June 2024, Mr Hunt held no other positions with any other ASX listed companies.
Mr Robert Mencil B Eng(Mining) MBA Appointed CEO 24/05/21 Appointed MD 01/09/21	<u>Managing Director – Executive Director</u> Mr Mencil is an engineering and mining executive with more than 25 years' experience developing and operating a wide range of mining, mineral processing and engineering operations. Previously he held the position of CEO for RONPHOS Corp., the Republic of Nauru's Phosphate company, where he was responsible for production, marketing and export of phosphate to customers throughout Asia and the Indian Pacific region. Mr Mencil brings significant senior managerial experience to the role at Centrex, having held the position of Managing Director/CEO of various ASX listed companies in the energy and resource sector. In the three years before 30 June 2024, Mr Mencil held no Director positions with any other ASX listed companies.
Dr A John Parker BSc (Hons).PhD, DipCompSc, MAIG, MAICD Appointed 17/12/19	<u>Non-Executive Director – Independent</u> Dr Parker is a geologist, geophysicist and manager with extensive local and international experience and knowledge of the geology, mineral deposits and mineralizing systems in the Precambrian. He was formerly Chief Geologist with the mapping branch of the South Australian Geological Survey and in the late 1980's he initiated the first geological mapping GIS in Australia, a system that has subsequently been developed to become the global leading GIS, SARIG. He was formerly Managing Director of Lincoln Minerals Limited and is a member of the Australian Institute of Geoscientists and the Australian Institute of Company Directors. Dr Parker is a member of the Group's Remuneration and Nomination Committee and the Audit and Risk Management Committee. In the three years before 30 June 2024, Dr Parker held no director positions with any other ASX listed companies.

Mr Graham Chrisp

B Tech (CE)

Appointed 21/1/10

Executive Chairman
2/12/19 – 30/06/21

Remained a Non-Executive Director until
4th September 2024.

Non-executive Director – Not Independent

Mr Chrisp has a degree in Civil Engineering and has substantial experience in numerous aspects of business operations, including design and construction of roads and other earthworks, mineral exploration and property development. Having previously been an owner and operator of earth moving equipment for mining and civil applications, Mr Chrisp has practical experience with modest scale mining operations, including several of his own developments. He was a founding director of Centrex Limited (having previously served as its CEO from 2003 to 2005) and has numerous private interests.

Mr Chrisp is a Director of Dapop Pty Ltd, trustee of the Chrisp CXM Family Trust, which is the largest shareholder in the Company. In addition, Mr Chrisp is Managing Director of Australian New Zealand Resources Corporation Pty Ltd, who through the Chrisp Family Trust is the Company's second largest shareholder. Accordingly, Mr Chrisp is not considered to be "independent" for the purposes of the Company's corporate governance policies.

Mr Chrisp is a member of the Company's Remuneration and Nomination Committee and Audit and Risk Committee.

In the three years before 30 June 2024, Mr Chrisp held no director positions with any other ASX listed companies.

On the 4th September 2024 Mr Chrisp retired as a Non- Executive Director.

1.2 Company Secretary

Dr John Santich was appointed on the 6th September 2023. Dr Santich is a lawyer and engineer with decades of experience in mining, geoscience and corporate law. He has been a director and secretary of listed exploration, mining and technology companies and is a principal of a specialist resources and technology legal firm. Dr Santich had an academic career in Australia, France and the USA, working in several capacities in engineering and law, including researcher and lecturer. In Australia as a lawyer he has worked with government and the private sector, establishing and directing a number of listed exploration, mining and technology companies. With a lifetime of application in the resources industry, he has broad experience in the formulation of policy and in corporate and legal matters and in the formation and establishment of businesses.

The outgoing Company Secretary, Mr Jonathan Lindh, was appointed Company Secretary on 29th March 2021 and resigned on 6th September 2023.

Mr Jonathan Lindh has over 15 years' legal and corporate advisory experience practising predominantly in the energy and resources sector. Mr Lindh holds a Bachelor of Laws, a Bachelor of International Studies and post graduate qualifications in finance and corporate governance. Mr Lindh has extensive experience in the areas of corporate governance, mergers and acquisitions, joint ventures, farm-in arrangements, equity capital markets, foreign investment and native title /aboriginal heritage.

2. Executives considered to be Key Management Personnel (KMP)

The executive considered to be Key Management Personnel in office at any time during or since the end of the financial year are:

Mr Brian Hall, General Manager, Ardmore Rock Phosphate Mine

DipBs(Front Line Management), DipBs(Surface Operations Management), Dip (Management), Site Senior Executive (SSE Certificate)

Mr Brian Hall, appointed 1st December 2021, has been in mining for over 35 years, coming from a dual trade background, having worked in Iron Ore, Gold, Laterite Nickel, Tin and Phosphate mining in Australia and Nauru. Mr Hall has worked in all levels of the mining structure, from trades to Dept Manager to General Manager roles. He was the Registered Manager and Maintenance Manager for Mt Gibson Mining, Maintenance Manager for Bluestone Tin, Maintenance Manager for RONphos Phosphate Corporation, Registered Manager and Maintenance and Engineering Manager for Litcho Bald Hill Lithium operations. Mr Hall holds diplomas in Surface Operations Management, Management and Front-line Management.

3. Directors' Meetings

The number of directors' meetings and number of meetings attended by each of the directors of the Group during the year ended 30th June 2024 was:

	Board Meetings		Audit and Risk Management Committee Meetings		Remuneration and Nomination Committee	
	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended	Eligible to Attend	Number Attended
Mr P Hunt	15	15	2	2	1	1
Mr R Mencil	15	15	2	2	1	1
Mr G Chrisp	15	8	2	1	-	-
Dr J Parker	15	10	2	2	1	1

4. Corporate Governance Statement

The Board is committed to the principles underpinning best practice in corporate governance. The Company must comply with the ASX Listing Rules which require it to report annually on the extent to which it complied with the Corporate Governance Principles and Recommendations 4th Edition ("Principles") as published by the ASX Corporate Governance Council. The Board believes that the Company has complied with the Principles for the current reporting period unless otherwise stated in the Appendix 4G and Corporate Governance Statement which is lodged on the Company announcements platform at the same time as the annual report.

A description of the Company's main corporate governance practices is available on the Company's website located at:

<https://www.centrexlimited.com.au/governance/>

5. Principal Activities

The principal activity of the Group during the reporting period was phosphate rock production and exploration on the following areas:

- Phosphate Rock mining at the Ardmore Project in Queensland;
- Potash exploration in Western Australia;
- Base metals exploration in New South Wales and
- Exploration for additional phosphate resources.

There have been no changes in the principle activities during the year.

6. Operating and Financial Review

A review of the operations of the Group during the year and the results of those operations are as follows:

The net (loss) for the reporting year, after providing for income tax was:

	2024 \$'000	2023 \$'000
Net loss after income tax	(19,323)	(9,548)

Further information on the Group's operating activities can be found in the Managing Director's Report.

7. Remuneration Report - audited

7.1 Principles of compensation

The remuneration report provides details of the remuneration of the Group's directors and the executives identified as those who had authority for planning, directing and controlling the Company's activities during the reporting period ("Key Management Personnel").

The remuneration policy of Centrex Limited and Controlled Entities has been designed to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives based on key performance areas affecting the Group's financial results. The Board believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best key management personnel to run and manage the Group, as well as create goal congruence between directors, executives and shareholders.

The Remuneration and Nomination Committee, Audit Committee and Board sit as one in setting remuneration strategy.

Non-Executive Directors

The Board's policy is to remunerate non-executive directors at market rates for time, commitment and responsibilities. The Remuneration and Nomination Committee determines payments to the non-executive directors and reviews their remuneration annually, based on market practice, duties and accountability. Fees for non-executive directors are not linked to performance of the Group. However, to align directors' interests with shareholder interests, the directors are encouraged to hold shares in the Company.

Total compensation for all Non-Executive Directors, pursuant to the constitution must not exceed \$500,000 per annum.

For the year ended 30th June 2024, the Non-Executive Directors' compensation comprised Directors' base fees of \$45,455 per annum (2023: \$45,455 per annum) and \$60,000 per annum (2023: \$60,000 per annum) for the Chairman.

Superannuation is paid on behalf of the Non-Executive Directors as is legislated. Where the Company engages a director as a consultant the value of superannuation benefits that would otherwise have been payable are paid as additional fees.

Managing Director and other key management personnel

Remuneration packages for the Managing Director and other Key Management include a mix of fixed and variable compensation. The variable compensation uses short and

long term incentives. The remuneration packages take into account market practice of comparable organisations within the industry and reflect capability, role and experience of each executive.

The fixed remuneration component (cash, superannuation and fringe benefits) is currently set by utilising industry surveys with particular reference to the practices of companies in the lowest quartile of the survey (i.e. those with a similar market capitalisation and with a similar sized workforce). Total remuneration (base salary packages and variable remuneration) provides the opportunity for executives to reach compensation levels in the next quartile as outlined within the industry surveys through the following variable awards:

- the Short Term Incentive ("STI") Plan, which awards a cash bonus of between 0% and 20% of fixed remuneration subject to individual and Group targets being met; and
- the Long Term Incentive ("LTI") Plan, under which the executive may be granted incentive rights, some of which vest after an extended period of continuous employment (Retention Rights), the others vesting after an assessment of performance (Performance Rights).

In the 2024 financial year 1,000,000 performance rights (Tranche 3) vested after meeting the following Performance Conditions:

- (a) 250,000 vesting upon a continuous period of employment of 36 months with the Company;
- (b) 350,000 vesting upon completing of financial closure for the construction and operation of a 625kt pa Process Plant;
- (c) 400,000 vesting upon 80% of production at the Ardmore Project allocated by sales/marketing agreements or off take agreements.

Service agreements

Robert Mencil, Managing Director

Mr Mencil was appointed Chief Executive Officer (CEO) on 24th May 2021 and Managing Director on 1st September 2021. On the 1st June 2022 Mr Mencil's total annual fixed remuneration was \$450,000 plus statutory superannuation. On the 24th May 2023 Mr Mencil's total annual fixed remuneration was increased to \$500,000 plus statutory superannuation.

Mr Mencil's employment with the company may be terminated with three months written notice.

Centrex Limited

Directors' report

30 June 2024

Other Key Management Personnel

Mr Brian Hall - General Manager – Ardmore Rock

Service Agreements

Mr Hall's employment contract outlines an annual fixed salary of \$300,000 plus superannuation. Mr Hall's employment with the company may be terminated with three months written notice subject no misconduct or dishonesty.

Centrex Limited

Directors' report

30 June 2024

Consequences of performance on shareholder wealth

Any variable components of the Company's executives' remuneration (the short and long-term incentives) seek to encourage alignment of management performance and shareholders' interests by linking remuneration to performance of the Company as a whole.

Any award of any short term or long-term incentive is always at the discretion of the Board which will also take into account the following indices when assessing performance, although the Board acknowledges that as an exploration company the use of such indices does not fully reflect Company performance.

	2024 \$'000	2023 \$'000	2022 \$'000	2021 \$'000	2020 \$'000
Loss attributable to owners of the company	(19,323)	(9,548)	(21,655)	(2,627)	(19,821)
Dividends paid (per share)	-	-	-	-	-
Share price at 30 June	\$0.047	\$0.14	\$0.15	\$0.05	\$0.03

Remuneration Consultants

There have been no remuneration consultants used in the year.

Voting and comments made at the Company's last Annual General Meeting

Centrex Limited received more than 77.30% of 'yes' votes on its Remuneration Report for the financial year ending 30 June 2023. The company received no specific feedback on its Remuneration Report at the Annual General Meeting.

Remuneration of Key Management Personnel (KMP) (Consolidated)

Details of the nature and amount of each major element of remuneration of each of the KMP are:

		Salary & fees	Non- monetary benefits	Super- annuation benefits	Share-based payments ⁽¹⁾ Note 24	Total	Options / Rights related
		\$	\$	\$	\$	\$	%
Directors							
Mr P Hunt(2)	2024	60,000	-	-	-	60,000	-
Chairman	2023	60,000	-	-	121,500	181,500	66.94
Mr G Chrisp.	2024	41,667	-	5,000	-	46,667	-
Non-executive	2023	45,455	-	4,773	101,250	151,478	66.84
Mr A J Parker	2024	45,455	-	5,000	-	50,455	-
Non-executive	2023	45,455	-	4,773	101,250	151,478	66.84
Mr R Mencil	2024	500,000	-	27,500	32,180	559,680	5.75
Managing Director	2023	455,253	-	27,500	407,000	889,753	45.74
Total compensation: Directors	2024	647,121	-	37,500	32,180	716,802	
	2023	606,163	-	37,046	731,000	1,374,209	
Executives							
Mr Brian Hall	2024	295,667	-	32,523	87,015	415,205	20.96
GM Ardmore	2023	281,896	-	29,599	159,039	470,534	33.80
Total compensation: executives	2024	295,667	-	32,523	87,015	415,205	
	2023	281,896	-	29,599	159,039	470,534	
Total compensation: KMP	2024	942,789	-	70,023	119,195	1,132,007	
	2023	888,059	-	66,645	890,039	1,844,743	

(1) In accordance with the requirements of the Accounting Standards, remuneration includes a proportion of the value of the equity linked compensation determined as at the grant date and progressively expensed over the vesting period. The amount allocated as remuneration is not relative to or indicative of the actual benefit (if any) that the senior executives may ultimately realise should the equity instruments vest.

(2) P Hunt Director fees are paid to a related party entity Natjo Nominees Ltd.

Centrex Limited

Directors' report

30 June 2024

Key Management Personnel Holding of Shares:

The movement during the reporting period in the number of ordinary shares in Centrex Limited held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

	Opening Balance 1 st July 2023	Number Purchased/ Issued	Issued on exercise of performance rights	Ceased as KMP	Number Sold	Closing Balance 30 th June 2024
Mr Peter Hunt (i)	200,000	573,100	-	-	-	773,100
Graham Chrisp (ii)	170,451,126	595,000	-	-	-	171,046,126
Dr A J Parker(iii)	-	250,000	-	-	-	250,000
Mr Robert Mencil (iv)	1,111,905	55,555	1,000,000	-	-	2,167,460
Mr Brian Hall (v)	-	-	666,667	-	-	666,667

- (i) The movement represents the share acquired through participation in the Company's 2024 Share Purchase Plan
- (ii) Shares are held by Dapop Pty Ltd <The Chrisp CXM A/C> and Australia New Zealand Resources Corporation Pty Ltd both are entities associated with Mr Graham Chrisp. The movement of 595,000 shares during the year related to on market buying in trading window.
- (iii) The movement represents the share acquired through participation in the Company's 2024 Share Purchase Plan.
- (iv) Shares are held by Mrs Georgina Mencil and Mr Robert John Mencil <Tcharlie Family A/C> an entity associated with Mr Robert Mencil. The movement of 1,055,555 shares represents the exercise of 1,000,000 performance rights to shares with the remaining 55,555 shares acquired through participation in the Company's 2024 Share Purchase Plan.
- (v) The movement of 666,667 shares represents the exercise of 666,667 performance rights to shares

Key Management Personnel Holding of Performance Rights:

The number of performance rights issued during the current and prior years which has been recognised as Director and Key Management Personnel remuneration is shown below:

30 th June 2024	Holding at 30 th June 2023	Issued	Exercised (E) or Lapsed (L)	Holding at 30 th June 24	Vested but unexercised	Unvested
2024 Performance Rights						
Mr Robert Mencil	2,000,000	-	(E) (1,000,000)	1,000,000	1,000,000	-
Mr Brian Hall	2,000,000	-	(E) (666,667)	1,333,333	666,666	666,667
Total	4,000,000	-	(1,666,667)	2,333,334	1,666,666	666,667

Mr Robert Mencil Performance Rights:

During the year ended 30 June 2024, the third tranche of performance conditions were meet and subsequent to year end converted on the 21st August 2024.

Tranche 3, 1,000,000 Performance Rights with a performance period of the financial year ending 2024

- (a) 250,000 vesting upon a continuous period of employment of 36 months with the Company;
- (b) 350,000 vesting upon completing of financial closure for the construction and operation of a 625kt pa Process Plant;
- (c) 400,000 vesting upon 80% of production at the Ardmore Project allocated by sales/marketing agreements or off take agreements.

Mr Brian Hall Performance Rights:

Centrex Limited

Directors' report

30 June 2024

The performance criteria is as follows for the Performance Rights issued in the year:

Tranche 2: Performance Rights

Vesting performance condition:

- (a) 50% vesting upon a continuous period of employment of 24 months with the Company;
- (b) 30% vesting upon successful completion of production, export and sale of more than 125,000t of phosphate rock/concentrate in FY24 at the Ardmore Phosphate mine;
- (c) 20% vesting upon the successful completion of the 800ktpa FEED study for the Ardmore Phosphate Project.

Performance vesting period: Financial year ending 2024 performance conditions were met and converted on the 21st August 2024.

Tranche 3: Performance Rights

Vesting performance condition:

- (a) 25% vesting upon a continuous period of employment of 36 months with the Company;
- (b) 50% vesting upon successful completion of production, export and sale of more than 250,000t of phosphate rock/concentrate in FY25 at the Ardmore Phosphate mine;
- (c) 25% vesting upon the successful completion of FID for the 800ktpa plant at the Ardmore Phosphate Project.

Performance vesting period: Financial year ending 2025

Key Management Personnel Holding of share options:

30 th June 2024	Holding at 30 th Jun 2023	Issued	Exercised (E) or Lapsed (L)	Holding at 30 th Jun 24
2024 Unlisted Options (i)				
Mr Peter Hunt	-	175,439	-	175,439
Dr A J Parker	-	125,000	-	125,000
Total	-	300,439	-	300,439
2024 Unlisted Options				
Mr Graham Chrisp	59,545,454	-	(L) (59,545,454)	-
Total	59,545,454	-	(59,545,454)	-
2022 Unlisted Directors Options (ii)				
Mr Peter Hunt	1,500,000	-	-	1,500,000
Mr Graham Chrisp	1,250,000	-	-	1,250,000
Dr A J Parker	1,250,000	-	-	1,250,000
Mr Robert Mencil	4,000,000	-	-	4,000,000
Total	8,000,000	-	-	8,000,000

(i) At the 14th March 2024 General Meeting, shareholders approved the issue of options to the directors that participated in the 2024 Share Purchase Plan, the options have an expiry date of 15th December 2025 and an exercise price of \$0.10 cents.

(ii) At the 2022 AGM, shareholders approved the issue of 8 million options to the directors which vested on issue and have an expiry date 21st December 2025 and an exercise price of \$0.20 cents.

Other related party transactions:

During the period Bravo Resource Solutions Pty Ltd (BRS) whom the Company's Managing Director Robert Mencil is a director and shareholder of, completed engineering consulting services totalling \$5,000.

Other than transactions as detailed above and their remuneration and in Note 32 to the financial statements, no director has received or become entitled to receive, during or since the end of the reporting year, a benefit because of a contract made by the Group or a related body corporate with a director, a firm of which a director is a member or a Company in which a director has a substantial financial interest.

End of audited remuneration report.

8. Unissued Shares Under Option & Performance Rights

Unissued ordinary shares of Centrex Limited under option and performance right at the date of this report are:

30 th June 2024	Grant Date	Issue Date	Issued	Exercise Price	Expiry Date
2024 Unlisted Options SPP					
Directors	14/03/2024	14/03/2024	300,439	\$0.10	15/12/2024
Shareholder Participants	14/03/2024	14/03/2024	87,543,928	\$0.10	15/12/2024
Total			87,844,367	-	
2022 Unlisted Directors Options					
Directors	25/11/2022	21/12/2022	8,000,000	\$0.20	21/12/2025
Total			8,000,000	-	
2024 Performance Rights					
Employees	27/09/2022	27/09/2022	5,011,333	N/A	Tranche 1 -31/07/2025 Tranche 2 -31/07/2026
Total			5,011,333	-	
2022 Performance Rights					
Employees	27/09/2022	27/09/2022	8,893,591	N/A	Tranche 2 -31/07/2025 Tranche 3 -31/07/2026
Total			8,893,591	-	

All options and performance rights are unlisted and exercisable into fully paid ordinary shares in the company on one for one basis. These options and performance rights do not entitle the holders to participate in any share issue of the company.

9. Dividends

No dividends were declared during the year or prior year.

10. Events subsequent to year end

On the 27th August the Company issued 9,113,127 (1,666,667 to KMP's with the residual to other employees) shares as a result of performance rights exercised. At the same time, 1,596,923 performance rights were cancelled.

On the 5th September announced the resignation of Non-Executive Director Mr. Graham Chrisp. The resignation follows Mr. Chrisp's leave of absence beginning on 27th June 2024 due to personal circumstances.

On the 12th September the Company announced that a ~25,000t land mark shipment, scheduled for loading late September, will be directed to a new customer in India. This expansion highlights Centrex's growing international competitiveness and presence in the global market, which has been driven by the increasing production capacity of Ardmore.

On the 12th September the Company announced that the Queensland Government's Department of State Development and Infrastructure has conditionally approved funding of up to \$2m (GST exclusive) for Ardmore.

11. Likely Developments

During the period the Company commenced production and export of high-grade beneficiated concentrate at the Company's flagship Ardmore Phosphate Rock Mine in Queensland.

It is noted however, that next advancement of the Ardmore Phosphate Rock Mine is subject to sufficient finance being raised. The Company continues to make further progress with its debt finance and is in advanced discussions with a number of parties and will keep the market updated in accordance with its continuous disclosure obligations.

The Directors have assessed the status of all of the Group's remaining tenements and believe all tenements have sufficient mineral potential to warrant continued exploration.

12. Indemnification and insurance of Directors and Officers

Directors' and Officers' Liability Insurance has been secured to insure the Directors, officers and senior executives of the Group to the extent permitted by the Corporations Act 2001. The officers of the Company and the Group covered by the insurance policy include any person acting in the course of duties for the Company or the Group who is or was a Director, secretary or senior executive. The contract of insurance prohibits the disclosure of the nature of the insurance covered and the amount of the premium.

The Company's constitution provides that the Company indemnifies every person who is or has been an officer of the Company for any liability (other than for legal costs) incurred by that person as an officer of the Company and any subsidiary of the Company. The Company has entered into deeds of access, insurance and indemnity with the current Directors of the Company. The agreements indemnify the Directors to the extent permitted by law against certain liabilities and legal costs incurred by the Directors; require the Company to maintain and pay Directors' and Officers' Liability Insurance in respect of the Director; and provide the Director with access to board papers and other documents.

13. Environmental Regulation and Performance

The Group is aware of its responsibility to impact as little as possible on the environment, and where there is any disturbance, to rehabilitate sites. During the period under review the majority of work carried out was on Ardmore Phosphate Rock Project in North West Queensland and the Group followed procedures and pursued objectives in line with requirements published by the relevant regulators including the Department of Environment and Science, the Department of Natural Resources, Mines and Energy and the Department of Aboriginal and Torres Strait Islander Partnerships.

The requirements from the relevant government departments are quite detailed and encompass the impact on owners and land users, heritage, health and safety and proper restoration practices. The Group supports this approach and is confident that it properly monitors and adheres to these objectives, and any local conditions applicable. The Group and its partner companies have individuals with detailed job responsibilities in this area.

The Board is not aware of any significant environmental breaches during the period covered by this report.

14. Material Business Risks

The material business risks for the group include:

Foreign exchange and commodity price

The financial results and position of the Group are reported in Australian dollars. Phosphate Rock Concentrate is sold principally based on a United States Dollar (USD) price. Accordingly, the Group's revenues are linked to both the USD commodity price and AUD/USD exchange rate. Volatility in the Phosphate Rock market creates revenue uncertainty and requires careful management to ensure that operating cash margins are maintained should there be a sustained fall in the Phosphate Rock price. Phosphate Rock is not a commodity for which hedging or derivative transactions can be used to manage commodity price risk.

Costs

Production, cost and capital estimates: The Group prepares estimates of future production, operating costs and capital expenditure relating to production at its operations. The ability of the Group to achieve production targets or meet operating

and capital expenditure estimates on a timely basis cannot be assured. The future production and costs of the Group are subject to uncertainty for a variety of reasons, including:

- variances in actual ore mined due to varying estimates of grade, tonnage, dilution, metallurgical and other characteristic; revisions of mine plan;
- the next advancement of the Ardmore Phosphate Rock Mine Stage 1.5 is subject to sufficient finance being raised;
- changing ground conditions; labour availability and costs; diesel costs; and general inflationary pressures being felt across the industry.

Failure to achieve production, cost or capital estimates, or material increases to costs, could have an adverse impact on the Group's future cash flows, profitability and financial condition. The development of estimates is managed by the Group using a budgeting process. Actual results are compared with budgets to identify drivers behind discrepancies which may result in updates to future estimates.

Operating risks and hazards

The Group's operations, consisting of shallow open pit strip mining and site construction activities involve a degree of risk. The Group's operations are subject to all the hazards and risks normally encountered in the exploration, development, construction, and production phase of an operation. This level of operations is subject to hazards such as equipment failure, loss of power, fast moving heavy equipment, water, and tailings infrastructure such as retaining dams, rain and seismic events which may result in environmental pollution and consequent liability. The impact of these events could lead to disruptions in operations and scheduling, increased costs, and loss of facilities, which may have a material adverse impact on the group's results of operations, financial condition, license to operate and prospects. These risks are managed by a structured operational risk management framework, experienced employees and contractors and formalised procedures. The Company also has a comprehensive insurance program in place.

Ore reserves and mineral resources

The Group's estimates of Mineral Resources and Ore Reserves are based on different levels of geological confidence and different degrees of technical and economic evaluation, and no assurance can be given that anticipated tonnages and grades will be achieved, that the indicated level of recovery will be realised or that Ore Reserves could be mined or processed profitably. The quality of any Mineral Resources and Ore Reserves estimate are a function of the quantity of available technical data and of the assumptions used in engineering and geological interpretation and modifying factors affecting economic extraction. Such estimates are compiled by experienced and appropriately qualified personnel and subsequently reported by Competent Persons under the JORC Code. Fluctuation in Phosphate Rock prices, key input costs to production, as well as the results of additional drilling, and the evaluation of reconciled production and processing data subsequent to any estimate may require revision of such estimates.

Actual mineralisation of ore bodies may be different from those predicted, and any material variation in the estimated Ore Reserves, including metallurgy, grade, dilution, ore loss, or stripping ratio at the group's properties may affect the economic viability of its properties, and this may have a material adverse impact on the group's results of operations, financial condition, and prospects. There is also a risk that depletion of reserves will not be offset by discoveries or acquisitions, or that divestitures of assets will lead to a lower reserve base. The reserve base of the group may decline if reserves are mined without adequate replacement and the group may not be able to sustain production beyond the current 14-year Stage 1.5 mine life.

Transport Infrastructure Risks

The Group relies on a flow of transport of its phosphate product from the Ardmore Phosphate Mine to the Port of Townsville for shipping to local and international customers. The Company uses a combination of road, rail, ports and ocean going vessels to transport its phosphate. Contractual disputes, demurrage charges and movements in shipping schedules may have an adverse impact in the Group's ability to transport phosphate product. Any unavailability or increased cost of transportation, including those caused by weather-related problems, infrastructure damage, strikes, lock-outs, fuel shortage or other events, could impair Centrex's ability to supply products to its customers thereby having an adverse impact on its business, financial condition and operational results.

The Group's transport and logistics agreement contains minimum threshold volumes of phosphate product (MVT) that must be transported every 12 months otherwise an MVT payment, representing the unused volume, could be triggered under the agreement. Should a MVT payment be required, it could have an adverse impact on the Company's financial condition and operational results. The Group is in discussions with its transport provider in relation to renegotiating its MVT for the second contract year.

Offtake Risk

The Group has offtake and marketing agreements for offtake of the production from the Ardmore Phosphate Mine. The Group's operations and revenues are dependent on the counterparties to existing and future offtake agreements performing their obligations. If the counterparties do not take their obligated quantities of product or seek to renegotiate the price or quantity of product, the Group's revenue could be adversely affected.

Dependence on key contractors

The Group has outsourced substantial parts of the operation of the Ardmore Phosphate Mine to third party contractors. Such contractors may not be available to perform services for the Group, when required, or may only be willing to do so on terms that are not acceptable to the Group. Further, performance may be constrained or hampered by capacity constraints, mobilisation issues, plant, equipment and staff shortages, labour disputes, managerial failure and default or insolvency. Contractors may not comply with provisions in respect of quality, safety, environmental compliance and timeliness, which may be difficult to control. In the event that contractor underperforms, or its services are terminated, the Group may not be able to find a suitable replacement on satisfactory terms within the required timeframe or at all. These circumstances could have a material adverse effect on the Group's operations.

Environmental

The mineral exploration and mining sector operates under Australian Federal and State environmental laws. The Group's operations may require it to use hazardous materials and produce hazardous waste which may be alleged to have an adverse impact on the environment or cause exposure to hazardous materials. Despite efforts on the part of the Group to conduct its activities in an environmentally responsible manner and in accordance with all applicable laws, the Group may be subject to litigation as a consequence. This may extend to being the subject of investigation by environmental authorities and incurring clean up obligations. This exposure could delay the timetable of a project and may subject the Group to restrictions and substantial penalties, including fines, damages, clean-up costs and other penalties.

Climate

The Group may be impacted by climate related risks including reduced water availability, extreme weather events, changes to legislation and regulation, reputational risk, and technological and market changes.

15. Non-audit services

During the year Grant Thornton, the Group's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Management Committee is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Management Committee to ensure they do not impact the integrity and objectivity of the auditor; and
- the non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing risks and rewards.

Centrex Limited Directors' report 30 June 2024

Details of the amounts paid or accrued to the auditor of the Group, Grant Thornton, and its related practices for audit and non-audit services provided during the year are set out below.

	2024 \$	2023 \$
Audit and review Services	165,266	241,152
Other services – compliance tax services	22,351	9,150
Auditors of the company	187,617	250,302

16. Lead Auditor's Independence Declaration

The Lead auditor's independence declaration is set out on page 24 and forms part of the Directors' Report for the financial year ended 30th June 2024.

Signed in accordance with a Resolution of the Board of Directors:

17. Rounding of accounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.



Mr Robert Mencil
Managing Director

Dated at Adelaide this 30th day of September 2024.

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Auditor's Independence Declaration

To the Directors of Centrex Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Centrex Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2024

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Centrex Limited

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Centrex Limited
Consolidated statement of profit or loss and other comprehensive income
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Revenue			
Revenue from sales	5	30,651	25,967
Cost of Sales	6	(39,186)	(25,586)
		(8,535)	381
Other income	7	106	63
Expenses			
Administration and other expenses	8	(8,411)	(7,304)
Exploration and evaluation expense		(114)	(231)
Share-based payments expense	24	(1,194)	(2,393)
Finance Costs	9	(1,175)	(64)
Loss before income tax expense		(19,323)	(9,548)
Income tax expense	10	-	-
Loss after income tax expense for the year attributable to the owners of Centrex Limited		(19,323)	(9,548)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Centrex Limited		(19,323)	(9,548)
		Cents	Cents
Basic earnings per share	37	(2.64)	(1.56)
Diluted earnings per share	37	(2.64)	(1.56)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Centrex Limited
Consolidated statement of financial position
As at 30 June 2024

	Note	2024 \$'000	2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	11	2,533	6,735
Trade and other receivables	12	733	1,204
Inventories	13	13,093	4,710
Financial assets - short term deposits	14	16	-
Other	15	401	441
Total current assets		16,776	13,090
Non-current assets			
Inventories	13	505	505
Plant, equipment and mine development assets	16	36,469	28,633
Exploration and evaluation	17	543	342
Financial assets - mining lease bonds	14	587	563
Total non-current assets		38,104	30,043
Total assets		54,880	43,133
Liabilities			
Current liabilities			
Trade and other payables	18	20,367	8,843
Contract liabilities	19	2,383	-
Borrowings	20	1,217	3,987
Lease liabilities	21	3,008	586
Provisions	22	602	435
Total current liabilities		27,577	13,851
Non-current liabilities			
Borrowings	20	3,859	1,651
Lease liabilities	21	74	303
Provisions	22	2,581	2,503
Total non-current liabilities		6,514	4,457
Total liabilities		34,091	18,308
Net assets		20,789	24,825
Equity			
Issued capital	23	90,129	75,100
Share-based payments reserve	24	2,700	12,208
Accumulated losses		(72,040)	(62,483)
Total equity		20,789	24,825

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Centrex Limited
Consolidated statement of changes in equity
For the year ended 30 June 2024

	Issued capital \$'000	Share-based payments reserve \$'000	Retained losses \$'000	Total equity \$'000
Balance at 1 July 2022	74,816	9,815	(52,935)	31,696
Loss after income tax expense for the year	-	-	(9,548)	(9,548)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(9,548)	(9,548)
<i>Transactions with owners in their capacity as owners:</i>				
Share-based payments (note 24)	-	2,393	-	2,393
Exercise of options - free attaching	284	-	-	284
Balance at 30 June 2023	75,100	12,208	(62,483)	24,825

	Issued capital \$'000	Share-based payments reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	75,100	12,208	(62,483)	24,825
Loss after income tax expense for the year	-	-	(19,323)	(19,323)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	-	(19,323)	(19,323)
<i>Transactions with owners in their capacity as owners:</i>				
Contributions of equity, net of transaction costs (note 23)	14,093	-	-	14,093
Share-based payments (note 24)	-	1,194	-	1,194
Performance rights exercised	936	(936)	-	-
Options lapsed	-	(9,766)	9,766	-
Balance at 30 June 2024	90,129	2,700	(72,040)	20,789

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Centrex Limited
Consolidated statement of cash flows
For the year ended 30 June 2024

	Note	2024 \$'000	2023 \$'000
Cash flows from operating activities			
Receipts from customers		34,223	25,143
Payments to suppliers and employees		(42,187)	(32,123)
		(7,964)	(6,980)
Interest received		75	63
Interest and other finance costs paid		(1,176)	(45)
Net cash used in operating activities	36	(9,065)	(6,962)
Cash flows from investing activities			
Payments for plant, equipment and mine development assets		(6,487)	(2,149)
Payments for exploration and evaluation		(200)	(300)
Cash transferred (to) / from term deposits		(40)	(33)
Net cash used in investing activities		(6,727)	(2,482)
Cash flows from financing activities			
Proceeds from issue of shares	23	14,446	-
Proceeds from exercise of options	23	530	284
Proceeds from borrowings		3,883	3,563
Share issue transaction costs	23	(883)	-
Repayment of borrowings		(4,550)	-
Repayment of lease liabilities		(1,845)	(516)
Net cash from financing activities		11,581	3,331
Net decrease in cash and cash equivalents		(4,211)	(6,113)
Cash and cash equivalents at the beginning of the financial year		6,735	12,848
Effects of exchange rate changes on cash and cash equivalents		9	-
Cash and cash equivalents at the end of the financial year	11	<u>2,533</u>	<u>6,735</u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 1. Material accounting policy information

The accounting policies that are material to the Group are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 33.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Centrex Limited ('Company' or 'parent entity') as at 30 June 2024 and the results of all subsidiaries for the year then ended. Centrex Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are entities controlled by the Group. The consolidated financial statements of the Group include the financial statements of the Company, being the parent entity, and its wholly owned subsidiaries, from the date that control commences until the date control ceases:

- Agriflex Pty Ltd
- Centrex QLD Exploration Pty Ltd
- Centrex Potash Pty Ltd
- Centrex Zinc Pty Ltd
- DSO Development Pty Ltd
- Flinders Pastoral Pty Ltd
- Kimba Gap Iron Project Pty Ltd
- Lachlan Metals Pty Ltd
- South Australian Iron Ore Group Pty Ltd

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 1. Material accounting policy information (continued)

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Impairment

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged to profit or loss, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units (group of units) and then, to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of other assets is the greater of their fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment losses are reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 1. Material accounting policy information (continued)

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2024. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Share-based payment transactions

Where performance rights or share options are issued to employees or directors as remuneration for past services, the fair value of equity instruments granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and recognised over the period during which the employees become unconditionally entitled to the equity instruments. Unless otherwise stated, the fair value of the equity instruments granted is measured using an appropriate valuation option-pricing model, taking into account the terms and conditions upon which the equity instruments were granted. The amount recognised as an expense is adjusted to reflect the actual number of equity instruments that vest except for those that fail to vest due to market conditions or vesting conditions not being met.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing and conditions of inventories.

Note 2. Critical accounting judgements, estimates and assumptions (continued)

Fair value measurement hierarchy

The Group is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date; Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of property, plant and equipment and development assets

The Group assesses impairment of property, plant and equipment and development assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Rehabilitation provision

The Group assesses its site restoration and rehabilitation provision at each reporting date in accordance with the accounting policy. Significant judgement is required in determining the provision for restoration and rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate and restore the site.

The estimate of future costs therefore requires management to make assessment of the future restoration and rehabilitation date, future environmental legislation, changes in regulations, price increases, changes in discount rates, the extent of restoration activities and future removal and rehabilitation technologies. When these factors change or become known in the future, such differences will impact the restoration and rehabilitation provision in the period in which they change or become known. At each reporting date the rehabilitation and restoration provision is remeasured to reflect any of these changes.

Exploration and evaluation costs

Exploration and evaluation costs have been capitalised on the basis that the Group will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources.

Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest.

Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 3. Going Concern

The Group's financial statements are prepared on the going concern basis which assumes continuity of normal business activities and the realisation of assets and settlement of liabilities and commitments in the normal course of business.

During the year ended 30 June 2024, the Group recognised a loss of \$19.32m (2023: \$9.55m), had net cash outflows from operating and investing activities of \$15.792m (2023: \$9.44m) and had a current asset deficiency of \$10.8m as at 30 June 2024. The continuation of the Group as a going concern is dependent upon its ability to generate sufficient net cash inflows from operating and financing activities and manage the level of expenditure within available cash resources.

Notwithstanding the above, the Directors consider it appropriate to prepare the financial statements on a going concern basis having regard to the following pertinent matters:

- Continued operational results improvement as forecast with the Group selling 75KT in September 2024 quarter which is consistent with announcements that sales were forecast to be between 70,000t ~ 80,000t;
- On 31 August 2024 the Group shipped 26,505t, its largest individual shipment to date;
- the Group has maintained ongoing support of its bankers or other financiers;
- Extended and varied the key logistics agreement with Aurizon which demonstrates strong support from Australia's largest logistical provider;
- Record rainfall and Tropical Cyclone Kirrily in the third quarter of the 2024 Financial Year caused significant downtime on the Mt Isa rail line, disrupting logistics and ability to get completed product to market;
- There were unanticipated delays in securing finance for the Stage 1.5 Expansion, affecting the timely procurement of required capital and long lead items. These items were received in the second half of the 2024 financial year;
- Delays in the installation of additional cyclone banks at our processing plant reduced the scope for running higher hourly throughput rates sooner than originally forecast. These improvements are now in place and from April 2024 the Group implemented 24 hour shifts which have greatly assisted with the Stage 1.5 ramp up and processing levels;
- Subsequent to reporting date the Group refinanced short term lease liabilities to longer term asset finance with National Australia Bank under its approved facility which will result in lower finance charges for future periods;
- In June 2024, the Group negotiated a deferral of 2024 \$4.147m contract minimum charge (as announced on 7 June 2024), which results in repayment to Aurizon in monthly instalments over the FY2025 period;
- Whilst recognised in accounts payable as at 30 June 2024, \$1.18m road haulage costs have yet to be invoiced;
- The Group had total stockpiles of 202kt at year end 30 June 2024. Stockpiles include mined ore, crushed ore and beneficiated phosphate concentrate at site or within the Group's logistics system (reconciled to 3.5% moisture). Stockpiles represent an investment by the Group into its unfinished and finished inventory. Significantly, the successful build-up of the Group's stockpiles is anticipated to support larger and more frequent shipments throughout the first half of FY25 and beyond. This is expected to underpin the Group's reduced operating expenditure target for Ardmare as part of the ongoing Stage 1.5 Expansion; and
- Subsequent to reporting date the Group received conditionally approved grant funding of up to \$2m via a Queensland Government's Department of State Development and Infrastructures Mount Isa Transition Fund.

A cash flow forecast has been prepared for the twelve-month period from the date of signing the 2024 Annual Report, which reflects the current stage 1.5 ramp up. The cash flow forecast has been prepared based on managements and the Directors' best assessment of the current economic, operating and trading performance assumptions. These forecasts are dependent upon the following matters, which include external factors outside of the Group's control:

- Diesel price;
- Global phosphate rock prices, specifically what prices are achievable in local and international markets, including the impacts of additional volumes being available for sale by the Group;
- Estimates of foreign exchange rates;
- Revenue collection in line with the Group's payment terms;
- The ongoing ability of the Group to negotiate adequate payment plans with key contractors and government agencies.

The achievement of the Group's cash flow forecasts is dependent on the Group achieving forecast targets for concentrate revenue, mining operations and processing activities that are in accordance with managements plans for phosphate pricing and exchange rate assumptions to enable the cashflow forecast to be achieved.

In addition to the above, the Directors consider that the going concern basis of accounting is appropriate, as the Group has the following options:

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 3. Going Concern (continued)

- The ability to obtain debt funding to assist with the continued development of the Ardmore Phosphate project;
- The ability to issue share capital under the Corporations Act 2001, by a share purchase plan, share placement or rights issue, which the Group has historically proven to date;
- The option of farming out all or part of its assets;
- The option of selling interests in the Group's assets; and
- The option of relinquishing or disposing of rights and interests in certain assets.

The directors are satisfied there is a reasonable basis that the Group will be above to achieve the matters set out above, and thus it is appropriate to prepare the financial statements on a going concern basis.

In the event that the Group is unsuccessful in achieving one or more of the matters set out above to enable the Group to have sufficient funding for ongoing operating, capital and debt repayment requirements, such circumstances would indicate that a material uncertainty exists that may cast significant doubt as to whether the Group will continue as a going concern and therefore whether it will realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial statements.

These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessary should the Group not continue as a going concern.

Note 4. Operating segments

Identification of reportable operating segments

Management has determined the operating segments based on internal reports about components of the Group that are regularly reviewed by the Managing Director to make strategic decisions.

The Group has identified two reportable segments of its business:

- Ardmore mining operations; and
- Exploration: exploration and evaluation of phosphate rock, potash, zinc and copper.

The Managing Director monitors performance in these areas separately. Unless stated otherwise, all amounts reported to the Managing Director are determined in accordance with accounting policies that are consistent to those adopted in the annual financial statements of the Group.

	Ardmore mining Operations \$'000	Exploration \$'000	Total \$'000
2024 Segment results			
Segment revenue	30,651	-	30,651
Cost of sales	(39,186)	-	(39,186)
Gross profit / (loss)	(8,535)	-	(8,535)
Finance costs	(1,175)	-	(1,175)
Other expenses	(5,021)	-	(5,021)
Exploration and evaluation expenses	-	(114)	(114)
Segment Result	(14,731)	(114)	(14,845)
Unallocated corporate overheads	-	-	(4,478)
Total loss for the year			(19,323)
Total segment assets	51,751	543	52,294

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 4. Operating segments (continued)

	Ardmore mining Operations \$'000	Exploration \$'000	Total \$'000
2023 Segment results			
Segment revenue	25,967	-	25,967
Cost of sales	(25,586)	-	(25,586)
Gross profit / (loss)	381	-	381
Finance costs	(64)	-	(64)
Other expenses	(3,996)	-	(3,996)
Exploration and evaluation expenses	-	(231)	(231)
Segment Result	(3,679)	(231)	(3,910)
Unallocated corporate overheads	-	-	(5,638)
Total loss for the year			(9,548)
Total segment assets	36,024	342	36,366

Operating segment assets are reconciled to total assets as follows:

	2024 \$'000	2023 \$'000
Segment assets	52,294	36,366
Unallocated assets:		
Cash and cash equivalents	2,533	6,735
Other receivables	30	32
Other financial assets	16	-
Plant and equipment assets	7	-
Total assets	54,880	43,133

Note 5. Revenue from sales

	2024 \$'000	2023 \$'000
Sales - Concentrate	30,124	25,786
Sales - DARPS	399	181
Sales - Hotel	128	-
	30,651	25,967

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 5. Revenue from sales (continued)

Revenue recognition

The consolidated entity recognises revenue as follows:

Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue from sale of goods is recognised upon delivery of the goods to customers as this corresponds to the transfer of control of the goods and the cessation of all involvement with those goods. All revenue is stated net of goods and services tax (GST).

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Concentrate Sales

Concentrate sales comprises the fully processed phosphate rock concentrate. Revenue from the sale is recognised once control has passed to the customer and performance obligations have been met.

Direct Application Phosphate Rock (DAPR) Sales

DAPR revenue from low-grade direct application crushed phosphate rock is recognised when control passes to the customer and performance obligations are satisfied. Control of the goods will pass to the customer at the point in time when the goods are delivered or collected by the customer.

Hotel sales

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Note 6. Cost of Sales

	2024 \$'000	2023 \$'000
Mining expenses	8,582	6,846
Crushing expenses	2,692	3,593
Depreciation and amortisation expenses	2,518	798
Processing and drying expenses	3,267	4,639
Freight expense	20,426	8,335
Royalties	1,701	1,375
	<u>39,186</u>	<u>25,586</u>

Note 7. Other income

	2024 \$'000	2023 \$'000
Interest Income	75	63
Gain on termination of leases	31	-
Other income	<u>106</u>	<u>63</u>

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 7. Other income (continued)

Interest

Interest revenue is recognised as interest accrues.

Note 8. Administration and other expenses

	2024 \$'000	2023 \$'000
Office and administration expenses	1,801	1,158
Sales and marketing	939	513
Insurance, legal and professional expenses	1,327	1,658
Employee benefit expense	2,422	2,823
Directors' fees	152	151
Camp expenses	682	394
Travel expenses	244	90
Depreciation expense	239	151
Foreign exchange loss	19	141
Other expenses	586	225
	8,411	7,304

Note 9. Finance Costs

	2024 \$'000	2023 \$'000
Finance costs	1,175	64

Note 10. Income tax expense

	2024 \$'000	2023 \$'000
Current income tax expense / (benefit) Current period	-	-
Total income tax expense / (benefit)	-	-

Numerical reconciliation of income tax expense and tax at the statutory rate

Loss before income tax expense	(19,323)	(9,548)
Tax at the statutory tax rate of 25%	(4,831)	(2,387)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non-deductible expenses	310	657
Timing differences & tax losses not brought to account	4,521	1,730
Income tax expense	-	-

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 10. Income tax expense (continued)

Deferred tax assets (DTA) and Deferred tax liabilities (DTL)

Trade and other receivables	(23)	(1)
Inventories	(34)	-
Property, plant & equipment	(624)	(1,909)
Provisions and accrued expenses	207	782
Exploration and evaluation assets	9	114
Development asset	(1,218)	(4,148)
Lease liabilities	193	222
Deferred capital expenses	78	190
Net DTL	(1,412)	(4,750)
Tax losses recognised to the extent of the DTL	1,412	4,750
Unrecognised tax losses - tax effected at 30 June 2024	18,233	9,253

Income tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

The company and its wholly owned Australian resident subsidiaries commenced being a tax consolidation group on 27th January 2005 and are therefore taxed as a single entity. The head entity within the tax consolidation group is Centrex Limited.

Note 11. Cash and cash equivalents

	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Cash at bank	2,513	6,700
Cash on deposit	20	35
	2,533	6,735

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 11. Cash and cash equivalents (continued)

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Note 12. Trade and other receivables

	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Trade receivables	132	843
Other receivables	601	361
	<u>733</u>	<u>1,204</u>

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Note 13. Inventories

	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Mined ore	4,503	1,262
Crushed ore	355	158
Processed ore	6,236	2,834
Stock in transit	1,800	456
Spare parts	199	-
	<u>13,093</u>	<u>4,710</u>
<i>Non-current assets</i>		
Mined ore - sheeting	505	505
	<u>13,598</u>	<u>5,215</u>

Inventories - rock phosphate

Recognition and measurement of Inventories includes ore, crushed, rejects and concentrate stockpiles, estimated at the lower of cost and net realisable value. Cost represents the weighted average cost and comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditures including depreciation and amortisation.

Stock in transit is stated at the lower of cost and net realisable value. Cost comprises of purchase and delivery costs, net of rebates and discounts received or receivable.

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 13. Inventories (continued)

Quantities of inventories are determined using various estimation techniques, including observation, weighing and other industry methods and are subject to periodic physical verification.

The Group reviews its inventory at the end of each reporting period to determine if it is properly stated at the lower of cost and net realisable value. Net realisable value is the estimated selling prices in the ordinary course of business, less estimated costs of completion of sale.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventory - spare parts

Spare parts are measured at the lower of cost and net realisable value. These spare parts are classified as inventory until they are used in the maintenance of property, plant, and equipment, at which point they are expensed, unless they significantly enhance or extend the useful life of the asset, in which case they are capitalised under AASB 116 *Property, Plant, and Equipment*. Obsolete, damaged, or redundant spare parts that are not expected to be used are written off as an expense in the period identified.

Note 14. Financial assets

	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Term deposits	16	-
<i>Non-current assets</i>		
Financial assets - security deposits	587	563
	<u>603</u>	<u>563</u>

An amount of \$0.587m (2023: \$0.563m) of term deposits are in place and are held as security for bank guarantees. These guarantees relate to environmental rehabilitation security bonds over mining lease (ML5542). Interest is earned on a fixed interest rate and received at maturity

Note 15. Other

	2024 \$'000	2023 \$'000
<i>Current assets</i>		
Prepayments	363	441
Other current assets	38	-
	<u>401</u>	<u>441</u>

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Note 16. Plant, equipment and mine development assets

	2024 \$'000	2023 \$'000
<i>Non-current assets</i>		
Property, plant and equipment	10,217	7,479
Less: Accumulated depreciation	(1,296)	(499)
	<u>8,921</u>	<u>6,980</u>
Right of use assets	4,813	1,231
Less: Accumulated amortisation	(947)	(376)
	<u>3,866</u>	<u>855</u>
Development assets	24,537	21,096
Less: Accumulated amortisation	(1,310)	(411)
	<u>23,227</u>	<u>20,685</u>
Capital work in progress	<u>455</u>	<u>113</u>
	<u><u>36,469</u></u>	<u><u>28,633</u></u>

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Property, plant and equipment \$'000	Right of use assets ¹ \$'000	Development assets \$'000	Capital work in progress \$'000	Total \$'000
Balance at 1 July 2022	141	-	-	-	141
Transferred from exploration and evaluation - 1 July 2022	4,586	-	17,873	-	22,459
Additions	2,591	1,231	2,171	113	6,106
Increase from rehabilitation provision	-	-	876	-	876
Depreciation and amortisation - cost of sales	(187)	(376)	(235)	-	(798)
Depreciation - administration and general	(151)	-	-	-	(151)
Balance at 30 June 2023	6,980	855	20,685	113	28,633
Additions	2,128	4,474	3,392	967	10,961
Disposals	(15)	(402)	-	-	(417)
Adjustment of rehabilitation provision	-	-	49	-	49
Transfers in/(out)	625	-	-	(625)	-
Depreciation and amortisation - cost of sales	(671)	(948)	(899)	-	(2,518)
Depreciation - administration and general	(126)	(113)	-	-	(239)
Balance at 30 June 2024	<u><u>8,921</u></u>	<u><u>3,866</u></u>	<u><u>23,227</u></u>	<u><u>455</u></u>	<u><u>36,469</u></u>

1. Refer to note 21 for further detail on right of use assets associated with lease contracts.

Property, plant and equipment

Plant and equipment assets are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the items. Repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Note 16. Plant, equipment and mine development assets (continued)

Depreciation is calculated to write off the cost of items of plant and equipment less their estimated residual value using an appropriate method (either straight line or units of production basis) over either the estimated useful life or the estimated resource. Depreciation expense is recognised in the Statement of Profit or Loss or absorbed into inventory.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows.

Asset class	Estimated useful life
Motor vehicles	5 years
Furniture and fixture	1 - 5 years
Plant and equipment	Based on the units of production
Right of use assets	Lease term between 1 - 3 years

Units Production Basis;

Depreciation of plant and equipment is computed by the units of production basis over the estimated proven and probable reserve. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserve which can be recovered in the future from known mineral deposits. The depreciation is calculated from recoverable proven and probable reserves and a total reserve processed through the plant during the period.

No impairment of plant, equipment and development assets arose during the reporting period.

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Development assets

Deferred Mining Expenditure - Surface Mining Costs

Mining costs incurred during the production stage of operations are deferred, to recognise the future economic benefit associated with accessing the identified Ore Reserves. This is generally the case where there are fluctuations in deferred mining costs over the life of the mine, and the effect is material. The amount of mining costs deferred is based on the ratio obtained by dividing the volume of waste material moved by the volume of ore mined. Mining costs incurred in the period are deferred to the extent that the current period waste to ore ratio exceeds the expectation being the life of mine waste to ore (life of mine) ratio. The life of mine ratio is based on economically recoverable reserves of the operation.

Stripping activity assets and stripping activities

The Group incurs waste removal costs (stripping costs) in the creation of improved access and mining flexibility in relation to ore to be mined in the future. The cost are capitalised as a stripping activity asset, where certain criteria are met. Once the Group has identified its production stripping for each surface mining operation, it identifies the separate components for the orebodies in each of its mining operations. An identifiable component is a specific volume of the ore body that is made more accessible by the stripping activity. The cost of each component are amortised on a units of production basis in applying a stripping ratio.

Accounting policy for development assets

Capitalised mining development costs include expenditures incurred to develop new ore bodies to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production. Mining development also includes costs transferred from exploration and evaluation phase once production commences in the area of interest.

Development assets are recorded at historical cost less accumulated depreciation / amortisation and impairment losses.

Amortisation of mining development asset is computed by the units of production basis over the estimated proven and probable reserve. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserve which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commence. The amortisation is calculated from recoverable proven and probable reserves and a total reserve recovered during the period

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Note 16. Plant, equipment and mine development assets (continued)

Key estimates and judgements - Ore Reserves

The Group estimates ore reserves and mineral resources each year based on information compiled by Competent Persons as defined in accordance with the Australian code for reporting Exploration Results, Mineral Resources and Ore Reserves 2012 ('JORC code'). Estimated quantities of economically recoverable reserves are based upon interpretations of geological models and require assumptions to be made including estimates of short and long-term commodity prices, exchange rates, future operating performance and capital requirements. Changes in reported reserve estimates can impact the carrying value of plant and equipment, development assets, provision for restoration and rehabilitation obligations as well as the amount of depreciation and amortisation

Key judgement, estimates and assumptions: Impairment of assets

The Group assesses its CGU at least annually, to determine whether there is any indication of impairment or reversal of a prior impairment. Where an indicator of impairment or reversal exists, a formal estimate of the recoverable amount is made, which is deemed as being the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as ore reserves, future production, commodity prices, discount rates, exchange rates, operating costs, sustaining capital costs, any future development cost necessary to produce the reserves (including the magnitude and timing of cash flows) and operating performance.

Some other factors considered in management's assessment as to whether there existed any indicators of impairment at the CGUs included:

- Operational and financial performance of the CGU;
- Potential to extend mine life across all CGU;
- The current and forecast foreign exchange rates; and
- The current and forecast phosphate price environment;

Management has undertaken a value in use assessment for the year ended 30 June 2024. Despite historical trading losses during the ramp up stage of mining operations, current forecasts of expected discounted cashflows indicate there is no impairment of plant, equipment, and mine development assets required for this reporting period. In preparing the value in use assessment management have had regard for current forecasts of phosphate pricing sourced from external sources, forward exchange rate forecasts, expected mining and processing costs at current production levels. Expected forecast cashflows have been discounted on utilising a post tax discount rate of 10%.

Note 17. Exploration and evaluation

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Ardmore Phosphate \$'000	Goulburn Zinc \$'000	Oxley Potassium Nitrate \$'000	Total \$'000
Balance at 1 July 2022	22,255	27	16	22,298
Capitalised during the year	271	21	211	503
Transfer to plant and equipment	(4,586)	-	-	(4,586)
Transfer to development assets	(17,873)	-	-	(17,873)
Balance at 30 June 2023	67	48	227	342
Capitalised during the year	54	31	116	201
Balance at 30 June 2024	121	79	343	543

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Note 17. Exploration and evaluation (continued)

Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

The exploration and evaluation expenditure assets comprise of exploration expenditure incurred since acquiring the exploration licenses. The expenditure is capitalised on an area of interest basis.

Key judgements - exploration and evaluation expenditure

The future recoverability of capitalised exploration and evaluation expenditure is dependent on several factors, including whether the Group decides to exploit the related lease itself or, if not, whether it successfully recovers the related exploration and evaluation asset through sale or joint venture. Factors that could impact the future recoverability include the level of Ore Reserves and Mineral Resources, future technological changes, which could impact the cost of mining, future legislative changes, and changes to commodity prices and exchange rates. To the extent that capitalised exploration and evaluation expenditure is determined not to be recoverable in the future, profits and net assets will be reduced in the period in which this determination is made. In addition, exploration and evaluation expenditure is capitalised if activities in the area of interest have not yet reached a stage that permits a reasonable assessment of the existence or otherwise of economically recoverable reserves. To the extent it is determined in the future that this capitalised expenditure should be written off, profits and net assets will be reduced in the relevant reporting period in which this determination is made.

Key estimates - impairment

Impairment of specific exploration and evaluation assets during the year have occurred where Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation. At each reporting date the Group undertakes an assessment of the carrying amount of its exploration and evaluation assets. During the reporting period no indicators of impairment were identified on certain exploration and evaluation assets in accordance with AASB 6 Exploration for and Evaluation of Mineral Resources. No impairment loss has been recognised in relation to areas of interest as a result of the review where the Directors have concluded that capitalised expenditure is unlikely to be recovered by sale or future exploitation.

Note 18. Trade and other payables

	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Trade payables	15,907	7,312
Other payables	4,460	1,531
	<u>20,367</u>	<u>8,843</u>

Refer to note 26 for further information on financial instruments and exposures.

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

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Note 19. Contract liabilities

	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Customer deposits	2,383	-
<i>Reconciliation</i>		
Reconciliation of the written down values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	-	-
Payments received in advance	2,383	-
Closing balance	2,383	-

Accounting policy for contract liabilities

Contract liabilities represent the Group's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Group recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Group has transferred the goods or services to the customer. Amounts received in advance from customers for the future supply of goods are recognised as contract liabilities.

Note 20. Borrowings

	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Equipment finance loans - chattel mortgages	1,122	388
Insurance premium funding	95	-
Export Finance Australia - trade finance	-	3,599
	1,217	3,987
<i>Non-current liabilities</i>		
Equipment finance loans - chattel mortgages	3,859	1,651
	5,076	5,638

Refer to note 26 for further information on financial instruments and exposures.

Equipment finance loans have the following terms:

Facility type:	Equipment finance loans (chattel mortgages)
Interest rates:	From 3.99% to 6.7529%
Maturity dates:	Various dates from 1 June 2025 to 22 May 2029
Secured or unsecured:	Secured by goods

Assets pledged as security

The Equipment Finance Loans (chattel mortgages) are secured by first mortgages over the Group's property, plant and equipment.

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

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Note 21. Lease liabilities

	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Lease - plant and equipment ¹	2,891	479
Lease - buildings	117	107
	<u>3,008</u>	<u>586</u>
<i>Non-current liabilities</i>		
Lease - plant and equipment	-	112
Lease - buildings	74	191
	<u>74</u>	<u>303</u>
	<u><u>3,082</u></u>	<u><u>889</u></u>

1. The equipment leases were subsequently refinanced for a term of 5 years by in August 2024.

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Short-term leases and leases of low value assets

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in statement of profit or loss as they are incurred.

Right of use assets

Set out below are the carrying amounts of right of use assets recognised and the movements during the period (as shown in note 16 'Plant, equipment and mine development assets'):

	Plant and equipment \$'000	Building \$'000	Total \$'000
2024			
Carrying amount as at 1 July 2023	563	292	855
Additions	4,474	-	4,474
Depreciation	(948)	(113)	(1,061)
Disposals	(402)	-	(402)
Carrying amount as at 30 June 2024	<u><u>3,687</u></u>	<u><u>179</u></u>	<u><u>3,866</u></u>

Centrex Limited
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Note 21. Lease liabilities (continued)

2023	Plant and equipment \$'000	Building \$'000	Total \$'000
Carrying amount as at 1 July 2022	-	-	-
Additions	864	367	1,231
Depreciation	(301)	(75)	(376)
Carrying amount as at 30 June 2023	563	292	855

Interest relating to right of use assets used in exploration and mining activities is not capitalised to exploration and evaluation assets or plant, equipment and mine development assets.

A right of use asset is recognised at the commencement date of a lease. The right of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right of use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected not to recognise a right of use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Asset class	Estimated useful life
Plant and equipment	5 years
Buildings	lease term

Periodic adjustments are made for any remeasurement of the lease liabilities and for impairment losses, assessed in accordance with the Group's impairment policies.

Note 22. Provisions

Provisions can be analysed as follows:

	2024 \$'000	2023 \$'000
<i>Current liabilities</i>		
Employee benefits	602	435
<i>Non-current liabilities</i>		
Employee benefits	82	53
Rehabilitation and restoration provision	2,499	2,450
	2,581	2,503
	3,183	2,938

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Note 22. Provisions (continued)

Provisions

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured at the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Provision for rehabilitation and restoration

Estimated costs of decommissioning and removing an asset and restoring the site are included in the cost of the asset as at the date the obligation first arises and to the extent that it is first recognised as a provision. The Group records the present value of the estimated cost of environmental and legal obligations to restore operating locations in the period in which the obligation is incurred. The nature of decommissioning activities includes dismantling and removing structures, rehabilitating mine sites, dismantling operating facilities, closure of plant and waste sites and restoration, reclamation, and revegetation of affected areas. Typically, the obligation arises when the asset is installed, or the environment is disturbed at the development location. When the liability is initially recorded, the present value of the estimated cost is capitalised by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the change in the present value based on the discount rates that reflect the current market assessments and the risks specific to the liability. Additional disturbances or changes in decommissioning costs will be recognised as additions or changes to the corresponding asset and rehabilitation liability when incurred.

Note 23. Issued capital

	2024 Shares	2023 Shares	2024 \$'000	2023 \$'000
Ordinary shares - fully paid	857,152,934	614,529,029	90,129	75,100

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Note 23. Issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2022	608,841,721	74,816
Issue of shares via unlisted options exercised during the period		5,687,308	284
Balance	30 June 2023	614,529,029	75,100
Share placements		189,839,754	12,446
Share purchase plan		35,087,803	2,000
Exercise of unquoted options		10,607,887	530
Exercise of unquoted performance rights		7,088,461	936
Share issue costs		-	(883)
Balance	30 June 2024	857,152,934	90,129

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Share buy-back

There is no current on-market share buy-back.

Capital risk management

Management effectively manages the Group's capital structure by assessing the Group's financial risks through regular monitoring of budgets and forecast cashflows. The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business, including through the issue of shares. The Group's capital is shown as issued capital in the Statement of Financial Position. The Group is not subject to any external capital restrictions.

Accounting policy for issued capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note 24. Share-based payments reserve

Nature and purpose of reserves

The share option reserve and performance rights reserve are used to recognise the fair value of all options and performance rights.

Share based payments are in line with the Centrex Limited remuneration policy, details of which are outlined in the Director's report. Listed below are summaries of options and performance rights granted:

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Note 24. Share-based payments reserve (continued)

	2024 \$'000	2023 \$'000
Reconciliation of share-based payments reserve		
Opening balance	12,208	9,815
Issue of options	-	648
Issue of performance rights	252	1,660
Vesting of performance rights	942	85
Exercise of performance rights	(936)	-
Lapse of options and performance rights	(9,766)	-
Closing Balance	2,700	12,208

	Number of options	2024 \$'000	Weighted Average Exercise Price
Share Options Reserve			
Opening balance	80,507,040	10,414	\$0.065
Exercised	(10,607,887)	-	\$0.050
Lapsed	(61,899,153)	(9,766)	\$0.050
Balance at 30 June 2024	8,000,000	648	\$0.200

	Number of options	2023 \$'000	Weighted Average Exercise Price
Share Options Reserve			
Opening balance	78,194,348	9,766	\$0.050
Issued	8,000,000	648	\$0.200
Exercised ¹	(5,687,308)	-	\$0.050
Balance at 30 June 2023	80,507,040	10,414	\$0.065

1. This included 5,687,308 unquoted options attaching to shares issued in prior years. Each unquoted option has an exercise price of 5 cents and expiry date of 31 December 2023 and were attributed no value within the reserve. As at 30 June 2023, 72,507,040 of these unquoted options remain on issue.

	Number of performance rights	2024 \$'000
Performance Rights Reserve		
Opening balance	22,880,769	1,794
Issued to employees as remuneration ¹	8,822,666	252
Vesting of performance rights issued in prior year ¹	-	942
Exercised	(7,088,461)	(936)
Balance at 30 June 2024	24,614,974	2,052

	Number of performance rights	2023 \$'000
Performance Rights Reserve		
Opening balance	2,000,000	49
Issued to employees as remuneration ¹	20,880,769	1,660
Vesting of performance rights issued in prior year ¹	-	85
Balance at 30 June 2023	22,880,769	1,794

1. Expense reflected in the statement of profit and loss for performance rights issued to personnel and vested over the vesting period

Centrex Limited
Notes to the consolidated financial statements
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Note 24. Share-based payments reserve (continued)

(a) Share-based payments

The Group has provided payment to Key Management Personnel ("KMP") and employees in the form of share-based compensation, whereby KMP and employees render services in exchange for shares, options or performance rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value of share options is determined using a Black-Scholes methodology depending on the nature of the option terms. The fair value in relation to performance rights is calculated using an appropriate valuation model.

The fair value of the options and performance rights granted is adjusted to reflect market vesting conditions but excludes the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options and performance rights that are expected to vest and become exercisable.

At each reporting date, the entity revises its estimates of the number of options and performance rights that are expected to vest and become exercisable.

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

- (i) the extent to which the vesting period has expired, and
- (ii) the number of awards that, in the opinion of the Directors of the Group, will ultimately vest.

This opinion is formed based on the best available information at reporting date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

Key judgement, estimates and assumptions – Share based payments

The Group measures the cost of equity-settled transactions with key management personnel and other parties by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by the Board of Directors with reference to quoted market prices or using the Black-Scholes valuation method or a valuation methodology approximating Monte Carlo simulation as appropriate taking into account the terms and conditions upon which the equity instruments were granted. These assumptions have been detailed within the note above. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact expenses and equity.

	2024	2023
	\$'000	\$'000
Reconciliation of Share Based Payment Expense		
Options issued to directors	-	648
Performance rights issued to KMP and employees	1,194	1,745
Total share-based payments	1,194	2,393
Net share-based payment expense in the statement of profit or loss	1,194	2,393

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Note 24. Share-based payments reserve (continued)

Performance rights granted

During the year ended 30 June 2024, the group issued 8,822,666 performance rights to employees of the Company under the term of the Company's Performance Rights Plan ("Plan"). The Plan was approved by shareholder at the Company's 2023 Annual General Meeting.

- Date granted – 16th June 2024
- Share-based Payment expense recognised in current financial year \$251,585.
- Total Fair Value of the Performance rights being \$485,246 to be expensed over the vesting period.
- The fair value of the share based payments were determined based on the market price for the underlying shares as at the issue date.

The performance criteria is as follows for the Performance Rights issued in the period:

Tranche 1: Performance Rights

Vesting performance condition:

- (a) 100% vesting upon a continuous period of employment of 12 months with the Company

Performance vesting period: financial year ending 2024

Expiry date: 31 July 2025

Tranche 2: Performance Rights

Vesting performance condition:

- (a) 25% vesting upon a continuous period of employment of 24 months with the Company;
- (b) 50% vesting upon successful completion of production, export and sale of more than 250,000t of phosphate rock/concentrate in FY25 at the Ardmore Phosphate Mine;
- (c) 25% vesting upon the successful completion of FID for the 625ktpa plant at the Ardmore Phosphate Project.

Performance vesting period: financial year ending 2025

Expiry date: 31 July 2026

Fair value of performance rights granted

The fair value at grant date of the performance rights issued for performance rights with market based on conditions have been determined using a valuation methodology approximating a Monte Carlo pricing model that takes into account the term of the performance right, the impact of dilution, the impact of the KPI on the underlying share price, the non-tradeable nature of the performance right, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the performance right. For those performance rights issued where a non-market performance condition exists the share price at grant date is the fair value at grant date.

The table below outlines the summary of inputs used in the fair value calculation for the performance rights issued under the performance share plan during the reporting period:

Performance Rights Valuation Inputs	2024	2023
Exercise price	Nil	Nil
Performance right life	0.038 - 1.036 years	0.76 - 2.76 years
Underlying share price	\$0.055	\$0.135
Expected share price volatility (weighted average) ¹	N/A	N/A
Risk free interest rate ²	N/A	N/A
Weighted average fair value	\$0.055	\$0.140
Weighted average contractual life	1.104 years	1.76 years
Vesting probability	100%	100%

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 24. Share-based payments reserve (continued)

1. Where applicable, the expected volatility has been based on the evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected performance right life.
2. Where applicable, this is based on high quality government bonds sourced from the Reserve Bank of Australia which reflect the period commensurate with the performance right life.

Unlisted Directors Options

At the 2022 Company AGM, 8 million options were issued to the directors. The fair value at grant date of the options issued has been determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option. The options vested immediately.

The Group have valued the options using Black Scholes model using the following inputs:

- valuation date - 25 November 2022
- share price at valuation date \$0.13
- expiry date - 21 December 2025
- risk free rate - 3.23%
- company-specific volatility - 103%
- strike price - \$0.20

The total fair value of options issued and recognised in the statement of profit and loss amounting to Nil. (2023: \$0.648 million)

Note 25. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 26. Financial instruments and exposures

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks and ageing analysis for credit risk

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a monthly basis.

	2024 \$'000	2023 \$'000
Financial assets		
Cash and cash equivalents	2,533	6,735
Trade and other receivables	733	1,204
Security deposits	603	563
Total financial assets	3,869	8,502
Financial liabilities		
Trade and other payables	20,367	8,843
Borrowings	5,076	5,638
Lease liabilities	3,082	889
Financial liabilities	28,525	15,370

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 26. Financial instruments and exposures (continued)

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

Interest rate risk

The Group has exposure to future interest rates on investments in fixed and variable-rate deposits. As at 30 June 2024 the Group had \$0.603 million invested in such deposits (2023: \$0.563 million). The Group does not use derivatives to mitigate these exposures.

Sensitivity Analysis

For the year ending 30 June 2024, a 1 percent increase in the effective interest rate would have resulted in an increase in profit of \$0.06 million (2023: \$0.06 million).

For the Group/s equipment finance loans outstanding, totalling \$4.981m (2023: \$2.039m), are principal and interest payment loans. Monthly cash outlays of approximately \$109,000 (2023: \$42,000) per month are required to service the those payments. All equipment finance loans have fixed interest rates and terms of 3 or 5 years. In addition, minimum principal repayments of \$1.062m (2023: \$0.388m) are due during the year ending 30 June 2025.

Credit risk

The Group does not have significant credit exposure to outstanding receivables or investments due to the present nature of its operations. There have been no historical impairment losses.

Cash and cash equivalents comprise cash balances and call deposits with original maturities of three months or less.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Group manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Financial risk management objectives

The Group does not enter into or trade financial instruments, for speculative purposes. As at 30 June 2024 the Group has no exposure to exchange rate risk and has no derivative exposures to commodity prices.

Net fair values of financial assets and liabilities

Net fair values of financial assets and liabilities not readily traded in an organised financial market are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers. Cash flows are discounted using standard valuation techniques at the applicable market yield having regard to the timing of the cash flows. The carrying amounts of bank term deposits, trade debtors, other debtors and accounts payable approximate net fair value.

The financial assets and financial liabilities included in assets and liabilities approximate their net fair values.

Cash assets are readily traded on organised markets in a standardised form. All other financial assets and liabilities are not readily traded on organised markets in a standardised form.

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 27. Fair value measurement

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Note 28. Key management personnel disclosures

Transactions with Key Management Personnel

Key Management Personnel remuneration includes the following as disclosed in detail in the remuneration report:

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	2024 \$	2023 \$
Short-term employee benefits	942,789	888,059
Long-term benefits	70,023	66,645
Share-based payments	119,195	890,039
	<u>1,132,007</u>	<u>1,844,743</u>

Note 29. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton, the auditor of the company:

	2024 \$	2023 \$
<i>Audit services - Grant Thornton</i>		
Audit or review of the financial statements	165,266	241,152
<i>Other services - Grant Thornton</i>		
Tax compliance	22,351	9,150
	<u>187,617</u>	<u>250,302</u>

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 30. Contingent assets and liabilities

Contingent assets

On 22nd March 2018 the Group executed agreements to sell the Wilgerup iron ore project and Kimba Gap iron ore project to SIMEC Mining (formerly Arrium Mining) which is a business of OneSteel Manufacturing Pty Ltd ("OMPL"). OMPL will pay royalty streams to Centrex upon commencement of mining at each project. The royalties are capped to a value of A\$ 5 million for each project. The per tonne royalty rates and the royalty caps are both indexed annually to CPI (from 2018). If OMPL has not committed to mining either of the projects by the 10th anniversary of the executed agreement the relevant project will be returned at Centrex's election.

Bank guarantees

Bank guarantees have been disclosed at Note 14.

Note 31. Commitments

In order to maintain its right of renewal of tenements (reviewed on a regular basis), the Group is required to meet exploration expenditures as defined at the time of the granting of the tenements. The tenement commitments are listed in detail in Section 10 of the Directors' Report. A summary of these commitments is as follows:

	2024 \$'000	2023 \$'000
<i>Tenements with annual commitments</i>		
Committed at the reporting date but not recognised as liabilities, payable:		
Ardmore (QLD) - Phosphate	481	300
Goulburn (NSW) - Zinc ¹	-	-
Oxley (WA) Potassium Nitrate	172	152

1. The annual commitments for the New South Wales tenements are an estimate of the work program to which the Group has committed to undertake over the term of the licence.

Capital commitments

Capital expenditure contracted for at end of the reporting period but not recognised as liabilities is \$0.138m (2023: \$0.533m).

Note 32. Related party transactions

Parent entity

Centrex Limited is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 34.

Key management personnel

Disclosures relating to key management personnel are set out in note 28 and the remuneration report included in the directors' report.

Transactions with related parties

There were no transactions with related parties during the current and previous financial year.

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 33. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	2024 \$'000	2023 \$'000
Loss after income tax	(23,658)	(9,549)
Total comprehensive income	(23,658)	(9,549)

Statement of financial position

	2024 \$'000	2023 \$'000
Total current assets	51	1,285
Total non-current assets	21,334	24,167
Total assets	21,385	25,452
Total current liabilities	558	594
Total non-current liabilities	38	33
Total liabilities	596	627
Net assets	20,789	24,825
Equity		
Issued capital	90,129	75,100
Share-based payments reserve	2,700	12,208
Accumulated losses	(72,040)	(62,483)
Total equity	20,789	24,825

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2024.

Centrex Limited

Notes to the consolidated financial statements

30 June 2024

Note 34. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 1:

Name	Principal place of business / Country of incorporation	Ownership interest	
		2024	2023
		%	%
South Australian Iron Ore Group Pty Ltd	Australia	100%	100%
Flinders Pastoral Pty Ltd	Australia	100%	100%
AgriFlex Pty Ltd (previously named Centrex Phosphate Pty Ltd)	Australia	100%	100%
Centrex QLD Exploration Pty Ltd (previously Port Spencer Holdings Pty Ltd)	Australia	100%	100%
DSO Development Pty Ltd	Australia	100%	100%
Lachlan Metals Pty Ltd	Australia	100%	100%
Kimba Gap Iron Project Pty Ltd	Australia	100%	100%
Centrex Potash Pty Ltd	Australia	100%	100%
Centrex Zinc Pty Ltd	Australia	100%	100%

Note 35. Events after the reporting period

On 27 August 2024, the Company issued 9,113,127 share (1,666,667 to KMP and residual to employees) as a result of performance rights exercised. At the same time, 1,596,923 performance rights were cancelled as vesting conditions were not met.

On 5 September 2024, announced the resignation of Non-Executive Director Mr. Graham Chrisp, effective as of close of business of the prior day. The resignation follows Mr. Chrisp's leave of absence beginning on 27th June 2024 due to personal circumstances.

On 12 September 2024, the Company announced that its next ~25,000t land mark shipment, scheduled for loading late September, will be directed to a new customer in India. This expansion highlights Centrex's growing international competitiveness and presence in the global market, which has been driven by the increasing production capacity of Ardmore.

On 12 September 2024, the Company announced that the Queensland Government's Department of State Development and Infrastructure has conditionally approved funding of up to \$2m (GST exclusive) for Ardmore.

No other matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Centrex Limited
Notes to the consolidated financial statements
30 June 2024

Note 36. Reconciliation of loss after income tax to net cash used in operating activities

	2024 \$'000	2023 \$'000
Loss after income tax expense for the year	(19,323)	(9,548)
Adjustments for:		
Depreciation and amortisation	2,757	949
Write off of property, plant and equipment	(16)	-
Share-based payments	1,194	2,393
Foreign exchange differences	96	-
Change in operating assets and liabilities:		
Decrease/(increase) in trade and other receivables	471	(841)
Increase in inventories	(8,383)	(5,578)
Decrease in prepayments	78	-
Increase in other operating assets	(39)	-
Increase in trade and other payables	13,904	5,344
Increase in provisions	196	319
Net cash used in operating activities	<u>(9,065)</u>	<u>(6,962)</u>

Note 37. Earnings per share

	2024 \$'000	2023 \$'000
<i>Earnings per share for loss from continuing operations</i>		
Loss after income tax attributable to the owners of Centrex Limited	<u>(19,323)</u>	<u>(9,548)</u>
	Cents	Cents
Basic earnings per share	(2.64)	(1.56)
Diluted earnings per share	(2.64)	(1.56)

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Centrex Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Centrex Limited

Consolidated entity disclosure statement

As at 30 June 2024

Entity Name	Entity type	Trustee partner or JV	Country of incorporation	Ownership interest %	Tax residency*	Foreign jurisdiction
Centrex Limited	Body corporate	N/A	Australia	-	Australia	N/A
Agriflex Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
Centrex Potash Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
Centrex QLD Exploration Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
Centrex Zinc Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
DSO Development Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
Flinders Pastoral Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
Kimba Gap Iron Project Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
Lachlan Metals Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A
South Australian Iron Ore Group Pty Ltd	Body corporate	N/A	Australia	100.00%	Australia	N/A

* Centrex Limited (the "head entity") and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime.

Basis of preparation

This Consolidation Entity Disclosure Statement (CEDS) has been prepared in accordance with the *Corporations Act 2001* and includes required information for each entity that was part of the end of the financial year.

Consolidated entity

This CEDS includes only those entities consolidated as at the end of the financial year in accordance with *AASB 10 Consolidated Financial Statements* (AASB 10).

Determination of Tax Residency

Section 295 (3A) of the *Corporations Act 2001* defines tax residency as having the meaning in the *Income Tax Assessment Act 1997*. The determination of tax residency involves judgment as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow-through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes but this does not mean the trust itself is an entity that is subject to tax.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Centrex Limited

Directors' declaration

30 June 2024

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- the information disclosed in the attached consolidated entity disclosure statement is true and correct as at 30 June 2024.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



30 September 2024

Grant Thornton Audit Pty Ltd
Grant Thornton House
Level 3
170 Frome Street
Adelaide SA 5000
GPO Box 1270
Adelaide SA 5001
T +61 8 8372 6666

Independent Auditor's Report

To the Members of Centrex Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Centrex Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2024 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Material uncertainty related to going concern

We draw attention to Note 3 in the financial statements, which indicates that the Group incurred a net loss of \$19,323,000 during the year ended 30 June 2024, and as of that date, the Group's current liabilities exceeded its current assets by \$10,801,000. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Inventory Valuation – Note 13	
As at 30 June 2024 the carrying value of inventory was \$13,598,000.	Our procedures included, amongst others:
Inventory at period end represents consumables, run-of mine ore ("ROM"), crushed ore and ore in transit.	obtaining an understanding of the internal controls in place with respect to the valuation and classification of ore stocks on hand;
The assessment of the valuation and classification of ore stockpiles includes a number of estimates and judgements. These include;	attending inventory stocktakes and observing the stockpiles during site visit;
- the determination of tonnes of ore on hand at year end; - the allocation of mining and processing costs; - the estimation of actual grades and forecast recovery rates; - the estimation of costs to sell; and - the net realisable value of inventory.	- reconciling inventory observations to management's inventory models; - assessing the completeness and accuracy of costs allocated to inventories based on the stage of production; - assessing the inputs and estimates used in estimating net realisable values; and - assessing the appropriateness of the disclosures included in the financial statements.
Due to the above, inventory valuation is determined to be a key audit matter.	
Plant, equipment and mine development assets – Note 16	
As at 30 June 2024, the Group has a total carrying value of \$36,469,000 associated with plant, equipment and mine development assets of the Ardmore Phosphate Project.	Our procedures included, amongst others:
The determination of the recoverable amount of these assets in accordance with AASB 136 <i>Impairment of Assets</i> requires significant judgement in the key assumptions supporting the expected future cash flows of the Ardmore Phosphate Project and the utilisation of the relevant assets.	- documenting the processes and assessing the internal controls relating to the capitalisation of costs and management's assessment of impairment; - obtaining management's reconciliation of plant and equipment and mine development assets and agreeing to the general ledger;

Key audit matter

How our audit addressed the key audit matter

Plant, equipment and mine development assets – Note 16 (Cont.)

This area is a key audit matter due to the level of judgement and estimation used in the value in use models.

- assessing the determination of cash generating unit's based on understanding how the Chief Operating Decision Maker monitors the Group's operations and makes decisions about the assets that generate independent cash flows;
- obtaining management's recoverable amount calculation and analysing for appropriateness against AASB 136 *Impairment of Assets*, including:
 - scrutinizing managements life of mine production schedule;
 - testing the mathematical accuracy of the calculation formulas;
 - evaluating management estimates;
 - with the assistance of audit experts, assessing discount rates, commodity pricing and foreign exchange assumptions;
 - performing sensitivity analysis on assumptions; and
- reviewing the appropriateness of the related disclosures within the financial statements.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation of:

- a the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 (other than the consolidated entity disclosure statement); and
- b the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and

- ii the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in the Directors' report for the year ended 30 June 2024.

In our opinion, the Remuneration Report of Centrex Limited, for the year ended 30 June 2024 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



J L Humphrey
Partner – Audit & Assurance

Adelaide, 30 September 2024

Centrex Limited

Shareholder information

30 June 2024

The shareholder information set out below was applicable as at 30th September 2024.

ASX Additional Information (unaudited)

Additional information required by the Australian Securities Exchange Limited Listing Rules and not disclosed elsewhere in this report is set out below

Substantial Shareholders of Ordinary and Escrow shares

Rank	Name	30 th September 2024	
		Units	% of Issued Capital
1	DAPOP PTY LTD <THE CHRISP CXM A/C>	110,905,672	12.792%
2	AUSTRALIA NEW ZEALAND RESOURCES CORPORATION PTY LTD	59,545,454	6.868%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	59,260,791	6.835%
4	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	4.660%
5	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	2.526%

Distribution of equity holders

Name	30 th September 2024	
	Fully paid ordinary and escrow shares	Employee options / rights plan
1 – 1,000	80	-
1,001 – 5,000	283	-
5,001 – 10,000	552	-
10,001 – 100,000	1,541	-
100,001 and over	767	23
	3,223	23

At 30th September 2024 there were 3,223 holders of a total of 867,016,061 fully paid ordinary shares and there were 61 shareholders holding less than a marketable parcel.

The issued capital of the Company is fully paid ordinary shares (entitling the holders to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held). On a show of hands every holder of the shares present at a meeting in person or by proxy is entitled to one vote and upon poll each share counts as one vote.

Centrex Limited
Shareholder information
30 June 2024

Top 20 Holders of Ordinary and Escrow shares

Rank	Name	30 September 2024	
		Units	% of Issued Capital
1	DAPOP PTY LTD <THE CHRISP CXM A/C>	110,905,672	12.792%
2	AUSTRALIA NEW ZEALAND RESOURCES CORPORATION PTY LTD	59,545,454	6.868%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	59,260,791	6.835%
4	WISCO INTERNATIONAL RESOURCES DEVELOPMENT & INVESTMENT LIMITED	40,399,599	4.660%
5	BAOTOU IRON & STEEL (GROUP) COMPANY LIMITED	21,900,000	2.526%
6	BUTTONWOOD NOMINEES PTY LTD	18,138,487	2.092%
7	LENROSS NOMINEES PTY LTD <LEONARD MCKINNON S/F A/C>	16,729,602	1.930%
8	QUOTIDIAN NO 2 PTY LTD	13,437,814	1.550%
9	MISS MENGJIAO ZHAO	10,100,000	1.165%
10	BNP PARIBAS NOMS PTY LTD <GLOBAL MARKETS>	8,771,930	1.012%
11	JIB CAP PTY LTD	8,535,134	0.984%
12	HONGMEN PTY LTD <HONGMEN FAMILY A/C>	8,200,000	0.946%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT>	7,959,043	0.918%
14	CITICORP NOMINEES PTY LIMITED	6,350,745	0.732%
15	MR TREVOR COPE & MRS WENDY COPE <COPE SUPER FUND A/C>	5,600,000	0.646%
16	VINGO HOLDINGS LTD	5,535,000	0.638%
17	GLADIATOR SECURITIES PTY LIMITED <GLADIATOR SECURITIES N1 A/C>	5,157,155	0.595%
18	MR ALBERT ANTON MENHEERE	5,000,000	0.577%
19	MR PETER JAMES HALL	4,745,614	0.547%
20	MR MELVIN BOON KHER POH	4,382,404	0.505%
		420,654,444	48.517%

There are no other classes of equity securities.