

31 March 2025



Centrex Limited ACN 096 298 752  
("Centrex")

Agriflex Pty Ltd ACN 132 019 357  
("Agriflex")

(Both Administrators Appointed)  
(together "the Companies")

Report to creditors – Section 75-225 of the Insolvency Practice Rules  
(Corporations) 2016 ("IPR")

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# 1. About this report: a guide for creditors

## 1.1 Purpose of this report

- John Park and Joanne Dunn were appointed as Voluntary Administrators of the Companies on 3 March 2025.
- We are required to prepare this report under the *Corporations Act 2001* (“the Act”) and provide creditors with information about the Companies’ business, property, affairs and financial circumstances.
- This report contains the information we are required by law to include, plus other information considered materially relevant to creditors to enable them to make an informed decision about the Companies’ future.
- This report and its attachments contain details about the forthcoming concurrent second meeting of creditors to be held at **2:00PM (AEST) on Tuesday, 8 April 2025** (“the Second Meeting of Creditors”).
- The Administrators will, for the reasons set out in the report, adjourn the Second Meeting of Creditors for up to 45 business days (per section 75-140(1)(b) of the *Insolvency Practice Rules (Corporations) 2016* (“IPR”).
- All details, forms and instructions relating to the meeting have been included with the covering letter and other documents attached to this report.

## 1.2 Key messages and recommendations

- Our preliminary investigations indicate the Companies may have traded whilst insolvent from September 2024.
- We are in advanced negotiations with interested parties regarding a DOCA proposal or sale and the commercial terms remain the subject of negotiation. Those negotiations have not, however, been able to be finalised before we were required to convene the second meeting of creditors.
- **Given the status of relevant negotiations, we currently believe it is in the interests of creditors for the Second Meeting of Creditors to be adjourned for up to 45 business days. This will allow us the additional time necessary to finalise negotiations with interested parties which may result in either a DOCA proposal or sale of assets. We will issue a supplementary report (setting out, amongst other things, details of any DOCA proposal or asset sale, and the Administrators’ estimated outcome in a liquidation scenario) and provide a recommendation as to whether entry into any potential DOCA is in creditors’ best interests.**
- We will endeavour to reconvene the Second Meeting of Creditors earlier than the 45 business days of the adjournment (if possible) and we will provide creditors with at least 5 business days’ notice of the reconvened meeting.
- **Pages 7 to 10** of this report summaries the items considered to be most important for creditors.

## 1.3 Meeting registration

### **PLEASE READ CAREFULLY**

#### 1.3.1 Who can attend the Second Meeting of Creditors?

- The following parties may attend the second meeting of creditors:
  - Creditors of one (1) or more of the Companies; or
  - A person appointed by a creditor to attend the meeting on behalf of the creditor.

#### 1.3.2 What do I need to do to attend the Second Meeting of Creditors?

##### *Completion and return of documents*

- Despite the Administrators' intention to adjourn the Second Meeting of Creditors, the Administrators will provide an update to creditors at the meeting, as well as creditors having the opportunity to ask questions.
- If you wish to attend the meeting, you must complete and return specific documents to us by the date and in the manner specified in the section "When and how do I return the completed documents" below.
- The required documents are shown in the below table and are dependent on the class of creditor to which you belong. An explanation of the documents is provided below.

Creditor Class	Registration Form (Via Link)	Formal Proof of Debt	Appointment of Proxy
Employee	✓	Refer to note below	Refer to note below
Individual / Partnership	✓	✓	Refer to note below
Company	✓	✓	✓
Statutory	✓	✓	✓

**Note:** Only a company or statutory creditor is required to appoint a proxy. Individuals (including employees) and partnerships may appoint a proxy, but only if they want that proxy to attend the meeting on their behalf.

##### *Explanation of documents*

- An explanation of the documents described in the table is set out below.
  - **Meeting Registration.** The Registration Notice, which is accessed via the below link, provides us with your contact details. We will use those contact details to provide you with the necessary access and voting codes for the meeting.

- **Registration link:**

- <https://forms.office.com/r/Sq6yq6QBA2>

- **Proxy form (if applicable).** Completing a proxy form allows you to appoint another person (known as a proxy) to attend the meeting on your behalf. It is mandatory for a company or statutory creditor to appoint a proxy to attend the meeting on its behalf, or attorney. Please note if you are a creditor of both companies, you must complete a proxy form for each company.
- **Formal proof of debt.** The formal proof of debt provides us with details of the debt owing by, or your claim against either or both of the companies. If available, please attach to the proof of debt supporting documents (e.g. invoices) that substantiate your claim. Please note if you are a creditor of more both companies, you must complete a proof of debt for each company.

- Employees do not need to provide a formal proof of debt.

### 1.3.3 How do I access the above meeting documents?

- The meeting registration form is an online form and is available via the following link:

<https://forms.office.com/r/Sq6yq6QBA2>

- Copies of the Proof of Debt and Proxy forms can be found at the Creditors Portal:

<https://www.fticonsulting.com/creditors/centrex-limited>

### 1.3.4 When and how do I return the completed documents?

- The required completed documents must be returned to us no later than **4:00PM (AEST) on Monday, 7 April 2025**. Please return your documents via one (1) of the following methods:

**Email:** [centrex@fticonsulting.com](mailto:centrex@fticonsulting.com) or [agriflex@fticonsulting.com](mailto:agriflex@fticonsulting.com)

**Post:** Attn: Centrex Limited and Agriflex Pty Ltd (both Administrators Appointed)  
C/- FTI Consulting  
GPO Box 3127  
Brisbane QLD 4001

- If you are returning the documents via post, please allow sufficient time for the documents to arrive prior to the cut-off time.

### 1.3.5 How do I ask a question at the meeting?

- Creditors may submit questions by email sent to [centrex@fticonsulting.com](mailto:centrex@fticonsulting.com) or [agriflex@fticonsulting.com](mailto:agriflex@fticonsulting.com) prior to the meeting. Alternatively, creditors can use the question-and-answer function during the meeting.
- The Administrators may be unable to answer all questions due to time constraints. If this occurs, the Administrators will select questions which are more relevant to the broader creditor base, ahead of those relevant to specific creditors. Creditors with specific questions may contact us by email after the meeting.

### 1.3.6 What happens next?

- Following return of your documents, we will:
  - Email you or your proxy a confidential link to access the meeting online; and
  - Provide a unique code so that you can vote at the meeting.

### 1.3.7 What if I can't access the meeting?

- All parties attending the meeting are responsible for ensuring they have the technology and internet connection to attend the meeting online. Unfortunately, we are unable to assist with any technical issues relating to accessing the meeting.

## 1.4 Questions and help

Please contact our office on 07 3225 4900 or by email at [centrex@fticonsulting.com](mailto:centrex@fticonsulting.com) or [agriflex@fticonsulting.com](mailto:agriflex@fticonsulting.com) if you are unsure about any of the matters raised in this report or the impact that any decision about the Companies' future may have on you.

## 2. Key messages

### 2.1 Overview of administration strategy

Operations	Sale and recapitalisation process	Statutory Matters & Investigations	Stakeholders
<ul style="list-style-type: none"> <li>• Upon appointment, the Administrators continued the operations on a business-as-usual basis whilst progressing a dual track process seeking proposals from interested parties for a sale or recapitalisation of the Companies.</li> <li>• Additionally, the Administrators sought urgent funding to assist and support trading on a BAU basis.</li> <li>• On 11 March 2025, the operations were suspended as a result of the Administrators being unable to secure further funding to support trading on a BAU basis. Care and maintenance activities continue.</li> <li>• Organised for the recommencement of hauling logistic arrangements with the Companies' rail and freight provider.</li> <li>• Negotiated sales for shipments in March and April.</li> </ul>	<ul style="list-style-type: none"> <li>• Commenced a sale and/or recapitalisation process for the Companies immediately upon our appointment seeking expressions of interest from interested parties.</li> <li>• Prepared an IM and worked with Management to collate financial and operational information to upload into the VDR.</li> <li>• Received and assessed multiple NBIOS from interested parties for the sale and/or recapitalisation of the Companies and subsequently shortlisted potential parties to provide Binding Proposals.</li> <li>• We are currently in discussions with the shortlisted interested parties regarding a DOCA proposal / sale, the commercial terms of which remain subject to negotiation.</li> </ul>	<ul style="list-style-type: none"> <li>• Attended to all statutory obligations and requirements.</li> <li>• Conducted property, corporate, PPSR, motor vehicle and other searches.</li> <li>• Undertook preliminary investigations into the Companies' performance and position leading up to the Administrators' appointment.</li> <li>• Performed financial analysis to determine a preliminary view on each of the Companies' solvency.</li> <li>• Formed a preliminary opinion on the existence of any voidable transactions and other claims or breaches of the Act.</li> <li>• Prepared this report pursuant to Section 75-225 of the IPR.</li> </ul>	<ul style="list-style-type: none"> <li>• Engaged with employees, customers, trade suppliers and shareholders, including formal correspondence throughout the duration of the Administration period.</li> <li>• Liaised with the secured creditors in relation to the sale and / or recapitalisation process.</li> <li>• Updated shareholders and other stakeholders of Centrex through the release of relevant ASX announcements.</li> <li>• Convened and held the first meeting of creditors of the Companies.</li> <li>• Engaged with corporate regulatory authorities including ASIC, the ASX and the ATO.</li> <li>• Calculated outstanding employee entitlements for current and former employees.</li> </ul>

## 2.2 Key messages for creditors

Set out below is a summary of the key messages and recommendations that are detailed in this report. Please read this summary in conjunction of the remainder of the report including the terms of reference contained in **Appendix 1** and any other attachments.

Key areas	Commentary	Analysis
<b>Explanations for the Companies' difficulties</b>	<p>The Directors have advised the Companies' difficulties resulted from:</p> <ul style="list-style-type: none"> <li>■ Insufficient short-term capital to buffer cashflows against logistics and sales disruptions during weather events often encountered in Northern Queensland;</li> <li>■ Insufficient long-term funding to fund the processing plant upgrades necessary to increase production, improve the operation's profitability and strengthen financial resilience to cash flow fluctuations; and</li> <li>■ Inadequate time to raise capital before the Companies' debts became due and payable.</li> </ul>	Section 4.8
<b>Administrators' actions and strategy</b>	<p>Our strategy for the administration to date has been to:</p> <ul style="list-style-type: none"> <li>■ Rapidly establish control and an understanding of the business</li> <li>■ Continue the operations on a business-as-usual basis until 11 March 2025, when the Ardmore Phosphate Project was transitioned to care and maintenance.</li> <li>■ Provide updates and communicate with key suppliers, employees and other stakeholders regarding the ongoing trading of the business and the sale and / or recapitalisation process.</li> <li>■ Undertake the sale and/ or recapitalisation campaign.</li> </ul>	Section 5.1
<b>Estimated date of insolvency</b>	Our preliminary view is the Companies likely became insolvent from <b>September 2024</b> and potentially earlier and remained so up until the time of our appointment on 3 March 2025. A liquidator will need to investigate this further, taking into account the events leading up to the administration, as discussed in this report.	Section 6
<b>Voidable transactions and offences</b>	We consider there may be transactions which a liquidator could pursue which might result in money being recovered for the benefit of creditors. These include potential unfair preferences to nine suppliers totalling <b>c\$1.6 million</b> . We note considerable further investigation will be required in the event of a liquidation.	Section 6
<b>Offences by directors</b>	Based on our investigations to date, the directors may have committed the offence of insolvent trading (section 588G)	Section 6
<b>Liability for insolvent trading</b>	Based on the estimated date of insolvency, the potential claim for insolvent trading may be up to <b>\$9.4 million</b> . The Directors have advised they are claiming protection under the Safe Harbour provisions and have provided a	Section 6



## Key areas

## Commentary

## Analysis

	brief on their actions undertaken. Further investigations regarding Safe Harbour and the Directors capacity to meet any claim will be required in the event of a liquidation.	
<b>Estimated outcome for creditors</b>	<p>At this stage we are unable to provide creditors with an estimate of the likely return in a liquidation or DOCA scenario. Providing an estimated outcome for creditors in a liquidation scenario at this juncture may negatively affect the ongoing negotiations with the interested parties and their ultimate proposal.</p> <p>Once the DOCA proposal is substantially developed (if any), a supplementary report will be issued to creditors, which will include an estimate of the return to creditors in both the liquidation and DOCA scenario (if relevant).</p>	Section 7
<b>Remuneration</b>	<p>Under Div 60-10 of the Insolvency Practice Schedule, the remuneration of the external administrator can be fixed by resolution of the creditors at the second meeting of creditors.</p> <p>We are not seeking approval of our remuneration at this Second Meeting of Creditors. Details of our remuneration will be provided in the Supplementary report, which will be provided five business days prior to the reconvened meeting.</p>	N/A

### 3. Recommendation on the Companies' future

The meeting can be adjourned by the Administrators or creditors for up to 45 business days.

Given the status of the negotiations with the interested parties, the Administrators believe it is in the creditors' best interests to adjourn the Second Meeting Of Creditors for up to 45 business days. This will allow the Administrators the time necessary to finalise the terms of any DOCA proposal or sale, issue a supplementary report and provide an updated recommendation as to what is in the creditors' best interests.

Accordingly, **the Administrators will adjourn the Second Meeting of Creditors** on 8 April 2025 to allow these negotiations to be finalised.

The adjournment is for up to 45 business days and we will reconvene the meeting by providing five business days' notice.

## 4. Background information

### 4.1 Appointment of Administrators

- On 3 March 2025, John Park and I, Joanne Dunn, were appointed joint and several Administrators of the Companies in accordance with a resolution passed at a meeting of the Companies' directors pursuant to section 436A of the Act.
- In a voluntary administration, the Administrators take control of a company and its affairs, superseding the powers of the directors and officers to make decisions and perform management functions.
- We also have a duty to investigate the Companies' business, property, affairs and financial circumstances.

### 4.2 Outcome of the first meeting of creditors

- The first meeting of creditors was held on 14 March 2025 to consider the formation of a committee of inspection and whether or not to appoint different persons to be the Administrators of the Companies.
- Creditors of Centrex expressed no interest in the formation of a Committee of Inspection.
- Creditors of Agriflex resolved to form a Committee of Inspection, and the following representatives were appointed:
  - Richard Ryan as representative for Rhinoshell Pty Ltd;
  - Ray White as representative for HardRok Engineering Pty Ltd;
  - Ronette Druskovich as representative for the Port of Townsville; and
  - Phillip Pan as representative for Aurizon Operations Limited.
- There were no nominations from creditors in either Company to appoint an alternate Administrator.

### 4.3 Administrators' prior involvement and independence

- In accordance with section 436DA of the Act, we provided a DIRRI with our first communication to creditors. This DIRRI included the circumstances which led to our appointment as Administrators.
- A copy of our DIRRI was provided with our first circular to creditors and referred to at the first creditors' meeting.
- As there is no change to our assessment regarding our independence or to the information provided in the DIRRI.

#### 4.4 Administrators' announcements on the Australian Securities Exchange

- The following announcements were made on the ASX during the period of the Administration:

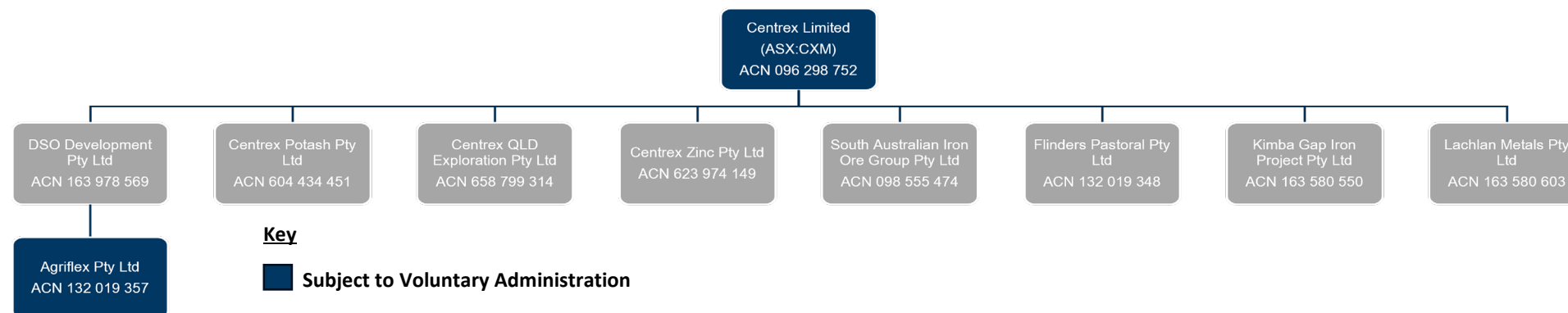
Date	Announcement
4 March 2025	Appointment of Voluntary Administrators
4 March 2025	Suspension from Quotation
5 March 2025	Closure of Entitlement Offer
5 March 2025	Cancel – Proposed issue of Securities – CXM
7 March 2025	Commencement of Sale and/or Recapitalisation Process
12 March 2025	Update on Operations

#### 4.5 Company information and historical performance

**Appendix 2** includes statutory information about the Companies, a summary of the Companies' historical performance and our preliminary analysis and comments about the existence and form of financial statements prepared by the Companies.

We otherwise set out below the corporate structure and high-level summary of the roles and functions of each entity within the group:

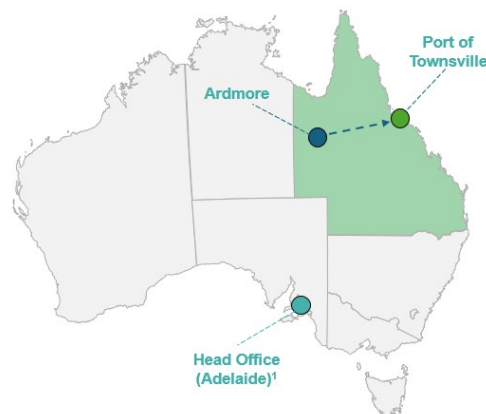
## 4.5.1 Corporate Structure



Entity	Role/Function	Entity	Role/Function
<b>Centrex Limited</b>	<ul style="list-style-type: none"> <li>ASX listed holding company</li> <li>Head office function</li> </ul>	<b>Centrex QLD Exploration Pty Ltd</b>	<ul style="list-style-type: none"> <li>Applied for three exploration licenses in the Northern Territory (all in application currently)</li> </ul>
<b>Agriflex Pty Ltd</b>	<ul style="list-style-type: none"> <li>Mining and processing operations at the Ardmore Phosphate Project</li> <li>Owner of plant and equipment</li> <li>Holds mining and exploration tenements</li> </ul>	<b>Lachlan Metals Pty Ltd</b>	<ul style="list-style-type: none"> <li>Holds exploration tenements to the Goulburn base metals project located in the Lachlan Fold Belt in New South Wales.</li> <li>Involved in the drilling and exploration of the belt, which showed the mineralisation of lead, copper and zinc.</li> </ul>
<b>DSO Development Pty Ltd</b>	<ul style="list-style-type: none"> <li>Operating subsidiary of Centrex Limited and holds the interest in its wholly owned subsidiary Agriflex</li> </ul>	<b>South Australian Iron Ore Group Pty Ltd</b>	<ul style="list-style-type: none"> <li>Previous holding company of joint venture iron ore assets</li> </ul>
<b>Centrex Potash Pty Ltd</b>	<ul style="list-style-type: none"> <li>Holds exploration tenements to the Oxley Potash Project located in the Midwest of Western Australia.</li> </ul>	<b>Flinders Pastoral Pty Ltd</b>	<ul style="list-style-type: none"> <li>Owns land at the Port Spencer site in South Australia, currently subject to a contract of sale.</li> </ul>
<b>Centrex Zinc Pty Ltd</b>	<ul style="list-style-type: none"> <li>Holds IP – patent over zinc processing</li> </ul>	<b>Kimba Gap Iron Project Pty Ltd</b>	<ul style="list-style-type: none"> <li>Holds royalty rights and call option over Kimba Gap Project (SIMEC Mining).</li> </ul>

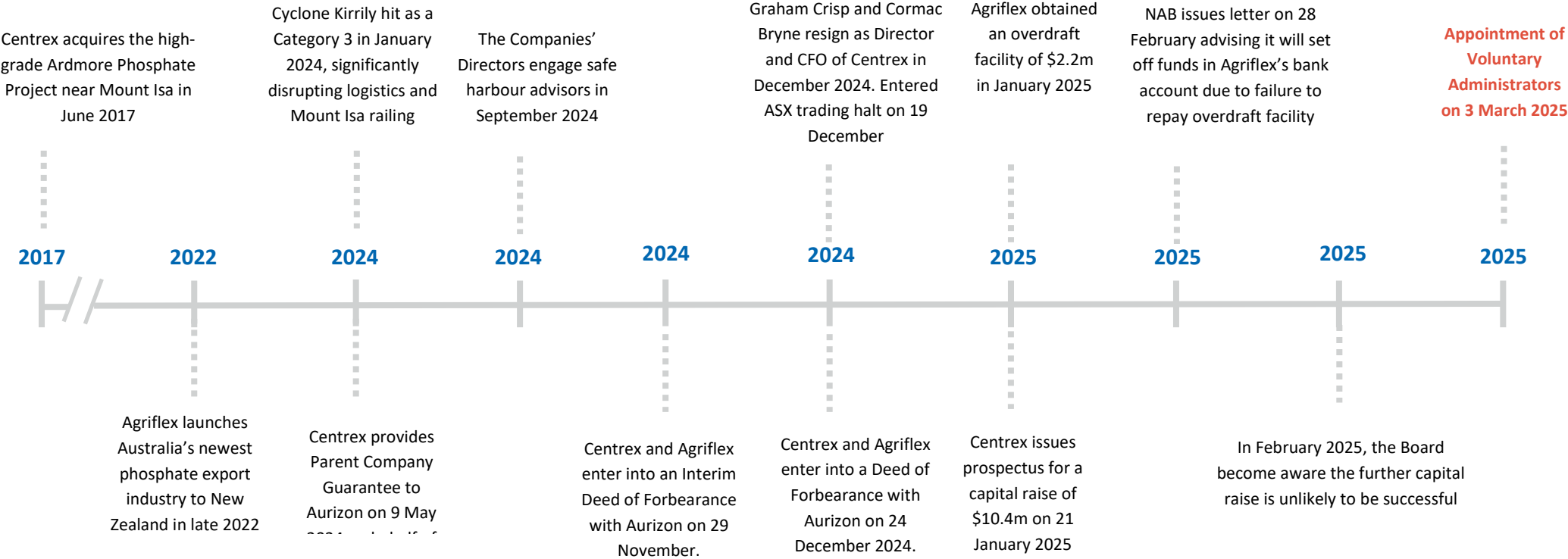
## 4.6 History of the Companies and events leading to our appointment

- Centrex Limited was first incorporated as Centrex Metals Limited on 23 March 2002 and listed on the ASX in July 2006 (ASX:CXM) where it raised capital for the development of several iron ore projects in South Australia.
- Centrex acquired the mining lease ML5542, better known as the Ardmore Phosphate Project in June 2017 and following several years of site development, Centrex, through its wholly owned subsidiary, Agriflex, began exporting shipments of beneficiated phosphate rock to New Zealand in late 2022.
- The mine site is located in Nort West Queensland, c140km south of Mount Isa. A map outlining the location of the mine, the head office and closest port is below:



- In 2023, the Companies secured offtake agreements for 100% of production for the first three years of full operation.
- In early 2024, the Companies initiated Stage 1.5 Expansion of the Ardmore Phosphate Project, designed to increase production capacity and improve operational efficiency to meet growing market demand, targeting 625ktpa production (an increase from c390ktpa).
- The Companies defaulted on payments owed to its railing and freight provider in June 2024, subsequently entering into two payment plans, which the Companies ultimately defaulted on in November 2024.
- In or around December 2024, the Companies entered into a Deed of Forbearance with Aurizon under which Aurizon would forbear on the debts owed for a specified period and subject to a number of conditions.
- In January 2025, Centrex issued a prospectus for the purposes of raising \$10.4 million in capital through a rights issue of shares to existing shareholder of Centrex. The Entitlement offer closing date was extended numerous times from 14 February 2025, to 26 February 2025 to 5 March 2025 to 17 March 2025. At the time of our appointment, the capital raised totalled approx.. \$1.1 million.
- The Directors advised they subsequently received information that the capital raising was unlikely to provide sufficient funds in the timeframe required to enable the Companies to meet their financial obligations as and when they fell due.
- As a result, and with limited available liquidity and no other financing alternative, the Directors resolved to place the Companies into Voluntary Administration on 3 March 2025, with John Park and Joanne Dunn from FTI Consulting appointed as Administrators.
- At the time of our appointment, the Companies employed 85 staff including casuals: eight at head office employed by Centrex, and 77 employed by Agriflex at the Ardmore Phosphate Project.

4.6.1 Short form timeline of major events leading to Voluntary Administration



#### 4.7 Directors' explanation for the Companies' difficulties

The directors of the Companies have indicated to us the current circumstances faced by the Companies are a result of the following:

- Insufficient short-term capital to buffer cashflows against logistics and sales disruptions during weather events often encountered in Northern Queensland;
- Insufficient long-term funding to fund the processing plant upgrades necessary to increase production, improve the operation's profitability and strengthen financial resilience to cash flow fluctuations; and
- Inadequate time to raise capital before the Companies' debts became due and payable.

From our investigations to date, we largely concur with the Directors' stated reasons for the Companies' failure and in addition, note the following reasons:

- Agriflex experienced significant losses at a gross profit level during the periods observed, highlighting the difficulties Agriflex had upgrading the processing plant to scale production and achieve cost efficiencies.

#### 4.8 Opinion about books and records

Section 286(1) of the Act requires a company to keep written financial records that correctly record and explain its transactions and financial position and performance, and would enable true and fair financial statements to be prepared and audited.

In considering compliance with this section, since our appointment we have:

- reviewed various financial reports to help us understand the Companies' asset and liability positions;
- reviewed various correspondence files and documents relevant to the Companies' financial position and performance of the Companies;
- undertaken investigations and reviews incorporating financial records and data;
- discussed with the Companies' finance function, processes and record keeping practices with its directors and management.

In our view, as at the date of our appointment the financial records of the Companies appear to have been maintained in accordance with section 286 of the Act.

#### 4.9 Outstanding winding up applications

Based on searches performed at the time of our appointment, no winding up applications appear to have been lodged with a Court against the Companies.



## 5. Strategy and financial position

### 5.1 Actions and strategy to date

#### 5.1.1 Summary

Immediately on our appointment, we worked to stabilise and assess the operations of the Companies and continued operations to:

- Urgently source appropriate funding to allow the Companies to continue to trade on a business-as-usual basis;
- Review and maximise the value of the existing inventory, which included various stockpiles and value of processing inventories (i.e. phosphate ore in circuit and ore on the ROM) as well as inventory at the Port of Townsville; and
- Allow the necessary runway to pursue a sale and / or recapitalisation of the Companies on a going concern basis to achieve the best possible price and maximise the outcome for all stakeholders.

Unfortunately, we were unable to source appropriate funding to allow the Companies to continue to trade on a business-as-usual basis and as a result, on 11 March 2025, we made the difficult decision to suspend the operations and place the Ardmore Phosphate Project in temporary care and maintenance.

During the course of our appointment, we have:

- Engaged with, and gained the support of key operational stakeholders of the business, which initially ensured the continued operations;
- Continued to work with Aurizon, as a secured creditor and freight provider to complete shipment of approx. 11,000 tonnes of Phosphate ore;
- Implemented trading protocols with the support of head office and site management to assume control and management of trading cash flows;
- Negotiated with customers for ongoing shipments of Phosphate ore;
- Conducted on site town halls to obtain support of the Companies' employees. The Companies continue to employ 17 staff across head office and the Ardmore Phosphate Project mine site, to undertake and support essential care and maintenance activities;
- Engaged with our insurance broker immediately following our appointment to secure ongoing insurance cover; and
- Attended Ardmore Phosphate Project mine site, arranged stocktake and implemented trading processes.

#### 5.1.2 Initial assessment of trading business-as-usual

- Upon our appointment, we met with the Companies' management and key site personnel to assess the potential of continued trading the Ardmore Phosphate Project.
- Our preliminary assessment indicated we would be able to trade for a short-term period but would need to urgently secure additional funding to enable trading for an extended period of time, given:
  - The Companies had no cash at the date of appointment; and

- We required support from secured creditors to freight the product and operate the Companies' bank accounts.
- Our assessment included a comparison to a care and maintenance scenario if funding was not obtained.

### 5.1.3 Trading strategy from 11 March 2025 (Care and maintenance)

- Shortly after our appointment, it became evident we could not immediately secure funding. As a consequence the Ardmore Phosphate Project was placed into temporary care and maintenance on 11 March 2025;
- As a result of the transition to care and maintenance 54 employees were made redundant;
- There have been no mining or processing of the phosphate concentrate since the suspension of business operations on 11 March 2025.
- We continued to harvest and will be shortly recommencing loading and railing activities in order to proceed with inventory sales that are being negotiated.
- The Receipts and Payments for the administration period 3 March 2025 to 30 March 2025 is located in **Appendix 5**.

### 5.1.4 Employees

- Upon our appointment, we addressed employees of the Companies in person at the Ardmore site and by video conference. We advised the impact of our appointment on day-to-day operations, and employees' position as priority creditors of the Companies in respect of their pre-appointment entitlements.
- During the course of our appointment, we have:
  - Maintained consistent communication to support staff in their day-to day activities, including engagement with key suppliers;
  - Liaised with management regarding the ongoing requirements for operating activities;
  - Liaised directly with various employees regarding specific issues and queries;
  - Reviewed the Companies' records to quantify employee entitlements and notified employees regarding the value and timing of payment of pre-appointment entitlements; and
  - Reduced staff levels, following the transition to temporary care and maintenance.
- All continuing employees are being paid their wages, salaries and leave entitlements in the ordinary course.

### 5.1.5 Statutory and Investigations

- Notified applicable statutory and government bodies of our appointment;
- Prepared and issued:
  - Our Initial Information for Creditors and Suppliers, which included our DIRRI; and
  - Prepared this report pursuant to section 75-225 of the IPR.
- Prepared and attended to lodgement of required ASIC forms;
- Held the first meeting of creditors of the Companies;
- Conducted and reviewed searches in relation to the Companies and its Directors;

- Liaised with the ASX and a third party to assist with the return of shareholders' funds held in trust as part of the unsuccessful Entitlement Issue announced on 14 January 2025;
- Engaged with key management in relation to the Companies' historical background; and
- Reviewed and analysed the available books and records and other information concerning the Companies and formed a preliminary view on any potential breaches of the Act or potential voidable transactions where money or property may be recoverable for the benefit of creditors. Further details are provided at **Section 6**.

## 5.2 Sale and recapitalisation process

### 5.2.1 Administrators' campaign

Following our appointment, we commenced a sale and/or recapitalisation process for the Companies with a view to maximising the value of the Ardmore Phosphate Project for the benefit of all stakeholders.

The sale and/or recapitalisation campaign was launched immediately following the commencement of the Administration, with the Administrators initially requesting EOI from interested parties, resulting in a strong level of engagement from potential bidders.

We set out below a summary timeline of key milestones:

Key Dates	Key Stages
7 March 2025	Information Flyer, EOI Process Letter and Confidentiality Deed Polls ("Confidentiality Deeds") provided to potentially interested parties. Advert was placed in the Australian Financial Review
11 March 2025	Submission of EOIs and execution of Confidentiality Deeds
From 11 March 2025	Virtual Data Room ("VDR") access, short form Information Memorandum ("IM") and non-binding indicative offer ("NBIO") process letter provided to parties that submitted EOIs and Confidentiality Deeds
20 March 2025	Submission of NBIOs by interested parties
From 21 March 2025	Shortlisted bidders notified and due diligence process continued including site visits and management discussions
31 March 2025	Submission of Binding Proposals for a Proposed Transaction

Detailed below are the key workstream conducted in the Administration to date:

- Prepared the IM based on information provided by Management;
- Engaged with interested parties, including answering initial queries and providing further information on the NBIO process;
- Worked with Management to collate financial information and operational data for the VDR; and
- Responded to interested parties' queries both ad-hoc and in the Q&A function of the VDR.

- On 19 March 2025, the Administrators received multiple NBIOs from interested parties for the sale and/or recapitalisation of the Companies. NBIOs were assessed having regard to factors including:
  - Offer value and potential returns to all classes of creditor;
  - Ability to complete a transaction within the targeted timeline;
  - Conditions attached to the offers and the ability to satisfy; and
  - Financial capacity of the bidder to complete the proposed transaction.
- Negotiations have continued with shortlisted bidders during the ongoing due diligence.

Given the ongoing nature of these negotiations, we are unable to provide further details in relation to any proposed sale and/or recapitalisation. However, if the meeting is adjourned as recommended by the Administrators and commercial terms are agreed in respect of a sale and/or recapitalisation, the final terms of the transaction, including any DOCA proposal, will be provided to creditors for their consideration in a supplementary report.

### 5.3 Companies' financial position at appointment

In accordance with their obligations under the Act, the Directors of each Company provided a statement about the Companies business, property, affairs and financial circumstances in the form of a Report on Company Activities and Property ("ROCAP").

A ROCAP is comprised of two (2) parts, being:

- Part A – a form which details the Companies assets and liabilities; and
- Part B – a questionnaire about the Companies history, operations, books and records.

#### 5.3.1 Report on Company Activities and Property Part A by the directors

We received a ROCAP Part A in respect of each company completed by Robert Mencil on 24 March 2025. These were lodged with ASIC on 28 March 2025.

On 25 March 2025 we received a completed ROCAP Part A in respect of each company from both Allan Parker and Peter Hunt. These were lodged with ASIC on 31 March 2025.

A summary of the ROCAP Part A information is shown below.

### 5.3.2 Summary of the ROCAP Part A and Administrators' ERV as at 3 March 2025.

		Centrex Limited		Agriflex Pty Ltd	
\$	Notes	Directors' ROCAP ERV	ERV	Directors' ROCAP ERV	ERV
Assets					
Cash at Bank	1	86,756	Nil	2,361,839	1,856
Trade Debtors & Receivables	2	Nil	Nil	95,657	118,348
Inventory	3	Nil	Withheld	15,266,504	Withheld
Plant & Equipment	4	11,653	Withheld	14,070,928	Withheld
Capitalised WIP and Exploration	5	495,466	Withheld	1,009,877	Withheld
Other Assets	6	58,176	Withheld	361,053	Withheld
Related Party Loans Receivable	7	39,363,153	Nil	Nil	Nil
Investment in Subsidiaries	8	Nil	See Note	Nil	Nil
Total Assets		40,015,204	Withheld	33,165,585	Withheld
Liabilities					
Employee Entitlements	9	(379,095)	(652,543)	(1,033,609)	(2,140,560)
Secured Creditors	10	Nil	(24,640,863)	(29,764,189)	(32,195,856)
Unsecured Creditors	11	(149,657)	(215,154)	(6,989,829)	(6,152,290)
Statutory Liabilities	12	(30,300)	(290,611)	Nil	(1,865,092)
Total Liabilities		(559,052)	(25,799,171)	(37,787,628)	(42,352,797)
Net Assets		39,456,152	Withheld	(4,621,769)	Withheld

- Certain amounts, including the ERV on material asset values, have been withheld on the basis they are commercial in confidence and may prejudice the sale process.

### 5.3.3 Notes

#### Note 1: Cash at Bank

- The Directors ROCAPs disclosed a balance of c\$2.45 million held in cash and equivalents as follows:

#### Centrex Limited

Bank Account	Bank	Security held by	Book Value (\$)	ERV (\$)
Options Account	NAB	NAB	62	Nil
Interest Account	NAB	NAB	-	Nil
Shares & Options Account	NAB	NAB	66,674	Nil
USD Account	NAB	NAB	14	Nil

Term Deposit	NAB	NAB	20,005	Nil
<b>Total</b>			<b>86,756</b>	<b>Nil</b>

**Agriflex Pty Ltd**

Bank Account	Bank	Security held by	Book Value (\$)	ERV (\$)
Hotel EFTPOS Account	NAB	NAB	1,382	Nil
USD Account	NAB	NAB	68,448	Nil
USD Account	NAB	Aurizon	1,688,939	Nil
Term Deposit	NAB	NAB	15,662	Nil
Term Deposit	NAB	Qld Government	587,409	Nil
<b>Total</b>			<b>2,361,839</b>	<b>Nil</b>

- Upon our appointment, correspondence was issued to all major banking institutions notifying them of our appointment and instructing them to freeze all accounts held in the name of the Companies.
- The above tables provide details regarding the relevant parties who held security against each of the relevant bank accounts. We understand, upon our appointment, the secured parties have either applied the funds to the respective outstanding secured debts with the exception of the Queensland Government, who continue to hold security for the funds held in the term deposit account.
- In addition to the above bank accounts, we note there were a further five accounts held under the name of Centrex with St George Bank, with two accounts holding funds totalling \$1.196 million. We note the following in relation to these accounts:
  - These accounts were setup as trust accounts for the purposes of receipting and holdings funds subject to any capital raises.
  - Whilst the accounts are under the name of Centrex, the Boardroom, who provided share registry services to Centrex, were the authorised signatories on the accounts.
  - Of the total funds, \$1.171 million related to funds held in trust for the cancelled Entitlement Offer commenced on 21 January 2025. We have since provided instructions to the Boardroom to organise for the return of these funds to the relevant shareholders.
  - We have not yet formed a view on whether the residual funds, totalling c\$25,000 are available to Centrex for the benefit of creditors.
- Our estimated realisable value is representative of the cash balance recovered, noting the cash recovered relates to petty cash on hand as at the date of our appointment as follows:

Location	Amount (\$)
Dajarra Hotel	1,654
Head Office (Adelaide)	202
<b>Total</b>	<b>1,856</b>

*Note 2: Trade Debtors & Receivables*

- Receivables comprise of amounts due to Agriflex at the commencement of the Administration. We have taken steps in recovering these receivables and our ERV includes our collection to date and our view on what will be collectable.

*Note 3: Inventory*

- The composition of Inventory is detailed in the following table as represented in the Directors ROCAP:

Inventory	Centrex Limited (\$)	Agriflex Pty Ltd (\$)	Total (\$)
Inventory - Spare Parts	Nil	233,000	<b>233,000</b>
Inventory - Bar	Nil	30,000	<b>30,000</b>
Inventory - Ore	Nil	15,003,504	<b>15,003,504</b>
<b>Total</b>	<b>Nil</b>	<b>15,266,504</b>	<b>15,266,504</b>

*Note 4: Property, Plant & Equipment ("PPE")*

- The composition of PPE is detailed in the following table as represented in the Directors ROCAP:

PPE	Centrex Limited (\$)	Agriflex Pty Ltd (\$)	Total (\$)
Plant and equipment	11,653	3,943,242	<b>3,954,895</b>
Motor Vehicles	Nil	3,943,242	<b>3,943,242</b>
Heavy Equipment	Nil	175,333	<b>175,333</b>
CAT Loaders	Nil	2,536,921	<b>2,536,921</b>
Crushing Equipment	Nil	3,472,190	<b>3,472,190</b>
<b>Total</b>	<b>11,653</b>	<b>14,070,928</b>	<b>14,082,581</b>

- The ERV has been withheld so as not to prejudice the sale process.

*Note 5: Capitalised Exploration and Evaluation*

- Capitalised costs relate to tenement exploration and evaluations of the following tenements:

Entity	Tenements held
Centrex Limited	5
Agriflex Pty Ltd	5
<b>Total</b>	<b>10</b>

- We note, the tenements disclosed under Centrex by the Directors are in fact held by wholly owned subsidiaries of Centrex, of which we are not appointed over.
- The ERV has been withheld so as not to prejudice the sale process.

*Note 6: Other Assets*

- Primarily consist of prepayments for payments made in advance for insurance, leases and other services provided to the Companies.
- The ERV has been withheld so as not to prejudice the sale process.

*Note 7: Related Party Loans / Claims*

- Intercompany loan balances as at the date of the appointment are discussed in detail at section 5.3.5 of this report. Recovery of related party loans in a liquidation scenario is dependent on the outcome of a liquidation process.

*Note 8: Investment in Subsidiaries*

- The eight subsidiaries of Centrex Limited are not subject to the control of the administrators as they have not been appointed to external administration.

*Note 9: Employee Entitlements*

- At the date of our appointment, Centrex and Agriflex employed 85 staff. All pre-appointment wages are paid up to date. The following table summarises our estimate of pre-appointment entitlements:

Entitlements	Centrex	Agriflex	Total
Superannuation	29,261	182,389	<b>211,650</b>
Annual Leave	135,982	575,509	<b>711,491</b>
Time Outstanding In Lieu	-	15,308	<b>15,308</b>
Redundancy	60,115	157,308	<b>217,424</b>
Payment in Lieu of notice	383,125	1,085,242	<b>1,468,367</b>
Superannuation on PILN	44,059	124,803	<b>168,862</b>
<b>Total</b>	<b>652,543</b>	<b>2,140,560</b>	<b>2,793,103<sup>1</sup></b>

<sup>1</sup> Note that the above total is inclusive of director entitlements, which amount to A\$292,603. Directors are excluded employees and are not entitled to any priority retrenchment pay for the period they are a director. Any amounts left owing after these priority amounts are treated as an ordinary unsecured claim along with other unsecured creditors (e.g. trade creditors).

*Note 10: Secured Creditors*

- Upon appointment, we conducted a search of the PPSR and issued correspondence to all parties on the register. A summary of the PPSR security interests can be found in **Appendix 2**.
- As previously noted in this report, both NAB and Aurizon have registered General Security Agreements over the companies. Aurizon's security interest was registered on 24 December 2024. In accordance with section 588FL of the Act, should the companies enter liquidation, further investigation would be required to assess the enforceability of Aurizon's GSA, given the registration occurred within six months of the appointment date.
- Additionally, it includes outstanding private royalty attached the relevant mining tenement which is captured outside of the PPSA.

*Note 11: Unsecured Creditors*

- Our ERV is based upon the books and records and proofs of debts received in conjunction with the Companies books and records. We note the amounts have not been adjudicated and are subject to change.



*Note 12: Statutory Creditors*

- Our ERV is based upon the books and records and proofs of debts received in conjunction with the Companies books and records.

<b>Creditors</b>	<b>Centrex</b>	<b>Agriflex</b>	<b>Total</b>
ATO	230,492	-	<b>230,492</b>
DEMIRS	30,300	-	<b>30,300</b>
The Office of State Revenue SA	29,819	5,141	<b>34,960</b>
The Office of State Revenue QLD	-	1,859,951	<b>1,859,951</b>
<b>Total</b>	<b>290,611</b>	<b>1,865,092</b>	<b>2,155,703</b>

**5.3.4 Report on Company Activities and Property Part B by the directors**

We received a ROCAP Part B completed by Robert Mencil on 24 March 2025. On 25 March 2025 we received a completed ROCAP Part B from both Allan Parker and Peter Hunt.

The ROCAP Part B is private and confidential and is for the Administrators use only.

**5.3.5 Related party creditors and claims**

In addition to information contained in the ROCAP Parts A and B, we reviewed the Companies' records (trade creditor listings, financials statements and other available documentation and correspondence) and spoke with Company staff to determine the existence and amount of related party claims.

The records of the Companies show a loan owing from Agriflex to Centrex with an outstanding balance of \$39.483 million on the date of our appointment and note the following:

- We understand this predominantly relates to funds raised by Centrex and subsequently provided to Agriflex for working capital and CAPEX purposes.
- From our preliminary review of the loan account, it appears the underlying transactions were incurred in the ordinary course of business.
- Intercompany loans rank as ordinary unsecured creditors in the liquidation of the Company where that debt is due.

## 6. Investigations, offences and voidable transactions

### 6.1 Overview – voidable transactions and insolvency

#### 6.1.1 Duty to investigate

The law requires us to investigate and specify whether there appear to be any voidable transactions in respect of which money, property or other benefits may be recoverable by a liquidator under Part 5.7B of the Act.

We have sought to ascertain whether the Companies were insolvent at any particular point in time prior to our appointment as Administrators, in order to determine a point in time from which these provisions may apply.

#### 6.1.2 Relevance of insolvency and liquidation

The ability to challenge voidable transactions and recover money/property for creditors is contingent on two elements:

- The company being placed into liquidation, and
- A liquidator being able to establish that the company was insolvent at the time it entered into any particular transaction, or the Company became insolvent as a consequence of that transaction.

#### 6.1.3 Work performed

We have made enquiries into the financial affairs of the Companies. In this section, we set out our preliminary views and findings about:

- Offences which may have been committed.
- The solvency position of the Companies.
- Whether there is the prospect of a claim for insolvent trading against the directors or any holding company.
- Existence of voidable transactions – including unfair preferences/loans, uncommercial transactions, arrangements to avoid employee entitlements, creditor-defeating dispositions and unreasonable director related transactions.
- Charges that may be voidable.

Please note the investigations undertaken are only indicative of the actions which may be possible in the event of the Companies entering liquidation and provide no likelihood of success nor actual quantum of recoverability. In the event of a liquidation, further analysis and investigations would be required before any actions are undertaken.

## 6.2 General information and considerations

### 6.2.1 Date of insolvency

- In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.
- Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions, and insolvent trading.
- Recovery actions require the liquidator to prove the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.
- Our key workings and other analysis are contained in **Appendix 3** with a summary provided for below in **section 6.3.1** of this report.

### 6.2.2 Creditors' information sheet and other explanations

- Provided at **Appendix 4** is an information sheet to assist creditors in understanding potential offences under the Act, recoverable transactions, and insolvent trading.

Creditors should read this information in conjunction with our comments in this section of the report.

## 6.3 Insolvency and liability for insolvent trading

- Directors have a positive duty to prevent a company from trading whilst it is insolvent (section 588G of the Act). If a director is found to have contravened section 588G they may be ordered to pay an amount of compensation to the company equal to the amount of loss or damage suffered by creditors of the company as a result of the contravention.
- Information about possible insolvent trading is relevant to creditors when making a decision about the future of the company, as directors of the company can only be pursued for insolvent trading if the company is placed into liquidation.
- It is important to note a director can raise a number of possible defences to a claim for insolvent trading, including (see section 588H of the Act):
  - The director had reasonable grounds to expect, and did expect, that the company was solvent and would remain solvent;
  - The director:
    - had reasonable grounds to believe, and did believe, that a competent and reliable person was responsible for providing adequate information to the director about the company's solvency and that person was fulfilling that responsibility; and
    - expected, on the basis of that information, the company was solvent and would remain solvent;
  - The director, because of illness or for some other good reason, did not take part in the management of the company at the relevant time; and
  - The director took all reasonable steps to prevent the company from incurring the debts in question.
- On 19 September 2017, the Treasury Laws Amendment (2017 Enterprise Incentives No. 2) Act 2017 came into effect, which provides protection to directors under the safe harbour amendments made to the existing insolvent trading laws in certain circumstances (see section 588GA of the Act).

- On 25 March 2020, the Coronavirus Economic Response Package Omnibus Bill 2020 received Royal Assent, which inserted section 588GAAA into the Act. Section 588GAAA provides relief for directors from potential insolvent trading during a six (6) month period from 25 March 2020. This legislative protection was removed from 1 January 2021 which coincides with the commencement of our analysis.

### 6.3.1 Assessment of solvency on an individual basis

- Our appointment as Administrators of the Companies, was an appointment to only two companies in a group of 10. Although the secured debts of the Group were cross-collateralised, the day-to-day operations and cash management of the entities within the Group were kept separate.
- As our appointment did not encompass all entities within the corporate structure of Centrex, we formed the view it would be appropriate to conduct our assessment of solvency on an individual basis rather than consolidated basis.
- We note our focus predominantly centred around the solvency of Agriflex as the solvency of Centrex is intrinsically linked and highly contingent on the solvency of Agriflex for the following reasons:
  - Centrex provided a Parent Company Guarantee to the rail and freight provider of Agriflex in relation to debt owed by Agriflex; and
  - Centrex relied upon Agriflex to cover its costs, noting it held limited cash at bank throughout the periods observed and generated no revenue.

### 6.3.2 Summary of findings and estimated date of insolvency

- Our investigations into the solvency of the Companies are preliminary at this stage. We have set out in the following sections our analysis of the various indicators of insolvency, which have led to our conclusions noted in this section.
- From our investigations to date, our preliminary view is the Companies may have become insolvent from **September 2024** and potentially earlier and remained so up until our appointment as Voluntary Administrators on 3 March 2025 based on the following:
  - Agriflex had a current ratio (explained further in **Appendix 3**) below one every month from as early as May 2024 (deteriorating from June 2024 and substantially below one from September 2024 onwards until entering into an Interim Deed of Forbearance and Deed of Forbearance with its rail and freight provider in November and December 2024 respectively).
    - Entering into these Deeds resulted in a significant portion of current liabilities being reclassified as non-current liabilities in accordance with standard accounting procedures. The reclassification caused the current ratio to briefly go above 1 for December 2024 and January 2025.
    - After January 2025, the classification of the forbearable debts reverted to current liabilities as the debts were payable within the next 12 months (due to the passage of time). The impact of this being the current ratio fell well below one in February 2025.
  - Agriflex began to incur significant royalties to the QRO which remain unpaid from FY23 to the date of our appointment.
  - Agriflex reported a net loss in FY23, FY24 and in the lead up to the Administration, reported a monthly loss from April 2024 onwards.
  - For completeness, we note Centrex had a current ratio below one and incurred trading losses for all periods observed (March 2024 onwards).

- Preliminary view on liability for insolvent trading.
- Based on a potential date of insolvency of September 2024, a claim for insolvent trading may be up to **\$9.4 million** based on debts incurred since this time which remained outstanding. However, this is subject to further investigations and any defences the Directors may have available (discussed further below).
- The Directors have notified us they will be availing themselves of Safe Harbour protection. We understand the Directors of the Companies engaged with qualified Safe Harbour advisers on or around September 2024 until the date of our appointment. If the Directors of the Companies were eligible for Safe Harbour protection at the time of incurring the Companies' debts (which remain unpaid at the time of our appointment), then they could be protected from an insolvent trading claim by a liquidator.
- If the Companies are wound up and a liquidator appointed, further work would be performed on the solvency position of the Companies to determine whether there is a benefit to creditors in pursuing the directors for insolvent trading.
- Creditors should refer to **Appendix 3 and 4** for additional information on insolvency and pursuing insolvent trading claims generally.

### 6.3.3 Directors' or holding company's capacity to pay claims by a liquidator

- We have asked the Directors to provide details on their personal financial position, however, they have declined to provide this information. We have undertaken title and property searches on RP Data to identify any assets held solely or directly by the Directors in Australian states and territories which indicate at least some of the Directors own real property assets.
- With respect to any insurance policies, we understand there was a Directors and Officers insurance policy in place, however we do not currently have sufficient information or legal advice to determine the circumstances in which it would respond to a claim for insolvent trading.
- Further investigations will be required to determine both the quantum of any possible insolvent trading claim and the commerciality of pursuing such a claim, which will include an assessment of the defences which may be available to the Directors.
- We note any claim of this nature is likely to be defended by the Directors, particularly given the protection they sought with regard to Safe Harbour from September 2024 onwards.

## 6.4 Safe Harbour

- Directors have a duty to prevent a company trading whilst insolvent and may be found personally liable for debts the company incurs when there were reasonable grounds to suspect the company was insolvent.
- Directors can, however, be availed of personal liability for insolvent trading if the company is undertaking a restructuring plan which is reasonably likely to result in a better outcome than immediately placing the company into external administration. This process and protection is referred to as Safe Harbour.
- We understand the Directors of the Companies engaged with qualified Safe Harbour advisers on or around **September 2024** to conduct a limited safe harbour compliance review. In or around November 2024 we understand qualified Safe harbour advisers were engaged to assist in developing and overseeing the implementation of a Safe Harbour plan for the Companies pursuant to section 588GA of

the Act. Consequently, it is possible the Directors have the ability to avail themselves of protection from any insolvent trading claim from this time.

- An assessment has not been undertaken whether the eligibility requirements of the Safe Harbour regime were met. Further, we have not been provided with the Better Outcome Plan to assess the reasonableness of its assumptions. In the event of liquidation of the Companies, if an insolvent trading claim was pursued against the Directors, they may wish to waive legal professional privilege and provide a copy of any relevant Safe Harbour plan. The appointed liquidator would then undertake an assessment and make a decision as to whether there is a benefit in proceeding with any insolvent trading claim.
- The eligibility requirements for Safe Harbour are set out in the below table:

Safe Harbour eligibility criteria	Section Reference
Are the directors properly informing themselves of the Companies' financial position?	588GA(2)(a)
Are the directors taking appropriate steps to prevent any misconduct by officers or employees of the Companies that could adversely affect the Companies' ability to pay all its debt?	588GA(2)(b)
Are the directors taking appropriate steps to ensure the Companies are keeping appropriate financial records consistent with the size and nature of the Companies?	588GA(2)(c)
Are the directors obtaining advice from an appropriately qualified entity who was given sufficient information to give appropriate advice?	588GA(2)(d)
Are the directors developing or implementing a plan for restructuring the Companies to improve its financial position?	588GA(2)(e)
Have the Companies met and continues to meet its employee entitlement obligations? This includes wages, leave entitlements and superannuation	588GA(4)(a)(i)
Have the Companies complied and continues to comply with its tax reporting obligations? Includes returns, notices, statements, applications or other documents as required by taxation laws (within the meaning of the <i>Income Tax Assessment Act 1997</i> (Cth))	588GA(4)(a)(ii)

## 6.5 Voidable transactions

We set out below our preliminary findings in relation to potential recoveries from voidable transactions in a liquidation scenario including our view on the likelihood of there being substantiated and supportable claims. Where applicable, we have included our estimate of possible recoveries along with any other pertinent information.

For general information explaining these matters, including a list of applicable offences, please refer to **Appendix 4**.

Area	Our view	Comments
Unfair preferences	Possible claims	<ul style="list-style-type: none"> <li>■ An unfair preference occurs where a creditor is treated by the company preferentially, resulting in discrimination and/or disadvantages to other creditors.</li> <li>■ We have conducted an initial review of the payments made by the Companies during the period leading up to appointment, taking into account the potential date of insolvency of the Companies.</li> <li>■ Based on our preliminary investigations, we consider there may be preferential payments to trade and statutory creditors of up to <b>\$1.6 million</b>.</li> <li>■ We note this is a preliminary estimate only and due to the recent clarification of the legal position with respect to the running balance defence in unfair preference claims, each creditor relationship must be examined based on its individual circumstances.</li> <li>■ Accordingly, in the event the Companies are placed in liquidation, further analysis will be required before any decision could be made to pursue preferences. Such analysis will involve a review of each creditors trading relationship with the Companies.</li> </ul>
Uncommercial transactions	No claims	<ul style="list-style-type: none"> <li>■ We are not aware of any potential uncommercial transactions which would likely result in property being recovered for the benefit of creditors.</li> </ul>
Unfair loans	No claims	<ul style="list-style-type: none"> <li>■ We are not aware of any potential unfair loans which would likely result in property being recovered for the benefit of creditors.</li> </ul>
Unreasonable payments to directors	No claims	<ul style="list-style-type: none"> <li>■ Our investigations to date have not found any evidence of unreasonable payments to directors.</li> </ul>
Related entity benefit	No claims	<ul style="list-style-type: none"> <li>■ Our investigations to date have not revealed any transactions with related entities that would likely result in property being recovered for the benefit of creditors.</li> </ul>
Arrangements to avoid employee entitlements	No claims	<ul style="list-style-type: none"> <li>■ Our investigations to date have not revealed the existence of any such arrangements.</li> </ul>
Voidable charges	To be determined	<ul style="list-style-type: none"> <li>■ Further investigation would be required to assess the enforceability of Aurizon's GSA, given the registration occurred within six months of the appointment date.</li> </ul>
Offences by directors	Insolvent trading	<ul style="list-style-type: none"> <li>■ Based on our investigations to date, it is possible the Directors have committed the offence of insolvent trading. This is discussed further in <b>Appendix 3</b>.</li> </ul>

Area	Our view	Comments
Creditor-defeating dispositions	None	■ Our investigations to date have not revealed the existence of any such arrangements.



## 7. Estimated return for creditors

### 7.1 Administrators estimated statement of position

We are unable to provide creditors with an estimate of the available return in a liquidation and DOCA scenario until such a time that a DOCA proposal is substantially developed. Disclosure in a liquidation scenario will prejudice the Administrators' negotiations with the interested parties, and thus the potential to agree terms for a DOCA proposal capable of acceptance.

As the Second Meeting of Creditors is to be adjourned by the Administrators and if commercial terms are able to be agreed in respect of a DOCA proposal, the final terms for the DOCA proposal will be provided to creditors for their consideration in our supplementary report, as will the position for return in a liquidation scenario.

## 8. Administrators' opinion and recommendation

### 8.1 Opinion and recommendation to creditors

Given the status of the negotiations with the interested parties, the Administrators believe it is in the creditors' best interests to adjourn the Second Meeting Of Creditors for up to 45 business days. This will allow the Administrators the time necessary to finalise the terms of any DOCA proposal or sale, issue a supplementary report and provide an updated recommendation as to what is in the creditors' best interests.

Accordingly, the Administrators will adjourn the Second Meeting of Creditors on 8 April 2025 to allow these negotiations to be finalised.

While the adjournment is for up to 45 business days, we can reconvene the meeting by providing five business days' notice.

#### 8.1.1 What creditors can decide at the reconvened meeting

When the second meeting of creditors is reconvened, creditors will decide whether:

- The Companies should execute a DOCA
- The administration of the Companies should end, or
- The Companies should be wound up.

In accordance with the requirements of section 75-225 of the IPR, the Administrators must provide an opinion on each of the above options, and whether the option is in the creditors' interests.

#### 8.1.2 Administrators' opinions on the options available to creditors

Due to the Administrators intention to adjourn the Second Meeting of Creditors for up to 45 business days, we cannot provide an recommendation to creditors on the above three options available to creditors.

The Administrators will provide an opinion and recommendation to creditors in the supplementary report which will be issued to creditors 5 business days prior to the reconvened second meeting of creditors.

#### 8.1.3 Administrators' opinion on voidable transactions

It is the opinion of the Administrators there are payments made by the Companies which could be considered voidable as against the liquidators. This has been discussed in **Section 6** and **Appendix 3**.

Dated: 31 March 2025



Joanne Dunn  
Administrator

## 9. Appendix 1 – Glossary and terms of reference

Item	Definition
<b>ACN</b>	Australian Company Number
<b>Act</b>	Corporations Act 2001 (Cth)
<b>Administrators</b>	John Park and Joanne Dunn
<b>Agriflex</b>	Agriflex Pty Ltd ACN 132 019 357
<b>AP</b>	Accounts Payable
<b>ARITA</b>	Australian Restructuring Insolvency & Turnaround Association
<b>ASIC</b>	Australian Securities and Investments Commission
<b>ASX</b>	Australian Stock Exchange
<b>ATO</b>	Australian Taxation Office (incorporating the Deputy Commissioner of Taxation, as applicable)
<b>Aurizon</b>	Aurizon Operations Limited
<b>BAU</b>	Business as usual
<b>Boardroom</b>	Boardroom Pty Ltd
<b>c'</b>	Circa
<b>CAPEX</b>	Capital Expenditure
<b>Centrex</b>	Centrex Limited ACN 096 298 752
<b>COGS</b>	Cost of goods sold
<b>Cth</b>	Commonwealth
<b>Directors</b>	Robert Mencil, Allan Parker and Peter Hunt
<b>DIRRI</b>	Declaration of independence, relevant relationships and indemnities
<b>DOCA</b>	Deed of company arrangement
<b>EBIT / EBITDA</b>	Earnings before interest and Tax / Earnings before interest, tax, depreciation and amortisation
<b>Entitlement Offer</b>	Entitlement Offer commenced on 21 January 2025 by Centrex Limited
<b>EOI</b>	Expression of interest
<b>ERV</b>	Estimated realisable value
<b>Excl.</b>	Excluding
<b>FYXX</b>	Financial year ended/ending 30 June 20XX, or substituted accounting period
<b>GSA</b>	General Security Agreement
<b>GST</b>	Goods and Services Tax, as applicable in Australia
<b>IM</b>	Information Memorandum
<b>Incl.</b>	Including
<b>IPR</b>	Insolvency Practice Rules (Corporations) 2016
<b>k'</b>	Thousand
<b>ktpa</b>	Kilo Tonnes Per Annum
<b>NAB</b>	National Australia Bank Limited
<b>NBIO</b>	Non-binding indicative offers
<b>NPAT</b>	Net profit after tax
<b>PPE</b>	Property, Plant and Equipment
<b>PPSR</b>	Personal Property Securities Register

<b>Q&amp;A</b>	Questions and Answers
<b>QRO</b>	Queensland Revenue Office
<b>ROCAP</b>	Report on Company Activities and Property
<b>ROM</b>	Run of mine
<b>Sale Process</b>	Process conducted by the Administrators for a sale and/or recapitalisation of the business operated by the Group
<b>Second Meeting of Creditors</b>	Second meeting of creditors scheduled for Tuesday, 8 April 2025 at 2:00pm (AEST)
<b>The Companies</b>	Centrex Limited ACN 096 298 752 and Agriflex Pty Ltd ACN 132 019 357
<b>VDR</b>	Virtual Data Room
<b>YTD</b>	Year To Date

## 9.1 Terms of reference

This report has been prepared for the creditors of Companies to assist them in evaluating their position as creditors and in deciding on the Companies' future. None of the Administrators, FTI Consulting and its staff shall assume any responsibility to any third party to which this report is disclosed or otherwise made available.

This report is based on information obtained from the Companies' records, the directors and management of the Companies and from our own enquiries. While we have no reason to doubt the veracity of information contained in this report, unless otherwise stated we have proceeded on the basis the information provided and representations made to us are materially accurate, complete and reliable. We have not carried out anything in the nature of an audit, review or compilation.

This report may contain prospective financial information, including estimated outcomes for creditors, and other forward looking information. As events and circumstances frequently do not occur as expected, there may be material differences between estimated and actual results. We take no responsibility for the achievement of any projected outcomes or events.

We reserve the right to alter any conclusions reached on the basis of any changed or additional information which may become available to us between the date of this report and the forthcoming meeting of creditors.

Creditors should seek their own advice if they are unsure how any matter in this report affects them.

## 10. Appendix 2 – Company information

### 10.1 Statutory Information

Centrex Limited (ACN 096 298 752)				
Incorporation Date	23 March 2002			
Registered Address	Level 10, 44 Waymouth Street Adelaide, South Australia			
Principal Place of Business	Level 10, 44 Waymouth Street Adelaide, South Australia			
Directors and Officers	Title	Name	Appointment date	Cease date
	Director	Allan John Parker	17/12/2019	
	Director	Peter Hayden Hunt	15/12/2020	
	Director	Robert Mencil	22/10/2021	
	Secretary	John Reginald Santich	07/09/2023	
	Director	Graham Maxwell Chrisp	21/01/2010	03/12/2024
	Director	Peter Eric Cox	28/01/2020	11/12/2020
	Director	Christopher Charles Indermaur	01/07/2017	28/01/2020
Shareholders	Class type		Shares issued	Paid-up Share Capital
	Ordinary shares		867,605,720	\$82,942,737.16
Related Entities	100% Owned Parent Company of Agriflex Pty Ltd and all other entities listed in section 4.5.1 of this Report			
Trading Activities	Holding company of mineral exploration and production subsidiaries.			

Agriflex Pty Ltd (ACN 132 019 357)

Incorporation Date	09 July 2008			
Registered Address	Level 10, 44 Waymouth Street Adelaide, South Australia			
Principal Place of Business	Level 10, 44 Waymouth Street Adelaide, South Australia			
Directors and Officers	Title	Name	Appointment date	Cease date
	Director	Allan John Parker	17/12/2019	
	Director	Robert Mencil	22/10/2021	
	Secretary	John Reginald Santich	07/09/2023	
	Director	Graham Maxwell Chrisp	17/12/2019	18/08/2023
	Director	David Klingberg	03/05/2019	17/12/2023
	Director	Simon Slesarewich	03/05/2019	17/12/2023
Shareholders	Class type		Shares issued	Paid-up Share Capital
	Ordinary shares		100	\$1.00
Related Entities	All entities listed in section 4.5.1 of this Report.			
Description of trading activities	Specialized in phosphate production and exploration, supply rock phosphate to markets across Australia and internationally.			

## 10.2 Details of security interests and charges

Below are details the security interests registered on the PPSR for both Companies, plus any other prima facie valid charges of which the Administrators are aware.

**Centrex Limited**

Registration Number	Secured Party	Date Registered	Collateral Class
202202250030966	AGGREKO GENERATOR RENTALS PTY. LIMITED	25/02/2022	Other goods
202202240016425	ATCO STRUCTURES & LOGISTICS PTY LTD	24/02/2022	Other goods
202412280003473	AURIZON OPERATIONS LIMITED	28/12/2024	All present and after-acquired property - With exceptions
201203090012291	AUSCO MODULAR PTY LIMITED	9/03/2012	Other goods
202205200015910	AUSTRALIAN LINING COMPANY PTY LTD	20/05/2022	Other goods
202112200029239	DAVID MOSS QUEENSLAND PTY LTD	20/12/2021	Other goods
202211150043807	FORKLIFT IT PTY LTD	15/11/2022	Motor vehicle
202211150043824	FORKLIFT IT PTY LTD	15/11/2022	Other goods
202211120005732	IOR PTY LTD	12/11/2022	Other goods
202207280016048	METAL MANUFACTURES PTY LIMITED	28/07/2022	Other goods
202403260039043	NATIONAL AUSTRALIA BANK LIMITED	26/03/2024	All present and after-acquired property - No exceptions
202204060023589	S.C.F GROUP PTY LTD	6/04/2022	Other goods

**Agriflex Pty Ltd**

Registration Number	Secured Party	Date Registered	Collateral Class
201906030027030	AGGREKO GENERATOR RENTALS PTY. LIMITED	3/06/2019	Other goods
202402210076417	AGGREKO GENERATOR RENTALS PTY. LIMITED	21/02/2024	Other goods
202402260050615	APPLIED INDUSTRIAL TECHNOLOGIES PTY LTD	26/02/2024	Other goods
202412110009219	AURIZON OPERATIONS LIMITED	11/12/2024	All present and after-acquired property - With exceptions
202412110009288	AURIZON OPERATIONS LIMITED	11/12/2024	Other goods
202412110009363	AURIZON OPERATIONS LIMITED	11/12/2024	Intangible property - Account
202412110009371	AURIZON OPERATIONS LIMITED	11/12/2024	Intangible property - Account
202412110009392	AURIZON OPERATIONS LIMITED	11/12/2024	Intangible property - General intangible
202412110009407	AURIZON OPERATIONS LIMITED	11/12/2024	Intangible property - General intangible
202303200043536	BOC LIMITED	20/03/2023	Other goods

Registration Number	Secured Party	Date Registered	Collateral Class
202310240039022	BUILDING & INDUSTRIAL SUPPLIES GROUP PTY LIMITED	24/10/2023	Other goods
202401250072266	BUILDING & INDUSTRIAL SUPPLIES GROUP PTY LIMITED	25/01/2024	Other goods
202401250087105	BUILDING & INDUSTRIAL SUPPLIES GROUP PTY LIMITED	25/01/2024	Other goods
202305160038967	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	16/05/2023	Motor vehicle
202305160038979	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	16/05/2023	Other goods
202305290002805	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	29/05/2023	Motor vehicle
202305290002822	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	29/05/2023	Other goods
202401310029335	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	31/01/2024	Motor vehicle
202401310029357	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	31/01/2024	Other goods
202401310030222	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	31/01/2024	Motor vehicle
202401310030233	CATERPILLAR FINANCIAL AUSTRALIA LIMITED	31/01/2024	Other goods
202407150021089	COATES HIRE OPERATIONS PTY LIMITED	15/07/2024	Other goods
202407150021091	COATES HIRE OPERATIONS PTY LIMITED	15/07/2024	Motor vehicle
202412040065815	ECOLAB PTY LTD	4/12/2024	Other goods
202412040065827	ECOLAB PTY LTD	4/12/2024	Other goods
202306230045118	FUELFIX PTY LTD	23/06/2023	Other goods
202401150053515	JAYLON PACIFIC PTY LTD	15/01/2024	Other goods
202407260017410	M & Q EQUIPMENT PTY LTD	26/07/2024	Other goods
202403260055653	NATIONAL AUSTRALIA BANK LIMITED	26/03/2024	All present and after-acquired property - No exceptions
202405140068007	NATIONAL AUSTRALIA BANK LIMITED	14/05/2024	Motor vehicle
202405140068011	NATIONAL AUSTRALIA BANK LIMITED	14/05/2024	Other goods
202405140068069	NATIONAL AUSTRALIA BANK LIMITED	14/05/2024	Motor vehicle
202405140068082	NATIONAL AUSTRALIA BANK LIMITED	14/05/2024	Motor vehicle
202405240088371	NATIONAL AUSTRALIA BANK LIMITED	24/05/2024	Other goods
202405240088407	NATIONAL AUSTRALIA BANK LIMITED	24/05/2024	Other goods
202407220064532	NATIONAL AUSTRALIA BANK LIMITED	22/07/2024	Other goods
202408080064972	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080064993	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065006	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065010	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods



Registration Number	Secured Party	Date Registered	Collateral Class
202408080065023	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065047	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065052	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065068	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065075	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Motor vehicle
202408080065081	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202408080065099	NATIONAL AUSTRALIA BANK LIMITED	8/08/2024	Other goods
202404290077007	ONETRAK PTY LTD	29/04/2024	Other goods
202312080015051	PFD FOOD SERVICES PTY LTD	8/12/2023	Other goods
202502200075082	PUNCHY'S EARTHMOVING PTY LTD	20/02/2025	Motor vehicle
202502200075450	PUNCHY'S EARTHMOVING PTY LTD	20/02/2025	Motor vehicle
202502200075466	PUNCHY'S EARTHMOVING PTY LTD	20/02/2025	Motor vehicle
202502200075942	PUNCHY'S EARTHMOVING PTY LTD	20/02/2025	Motor vehicle
202502200076576	PUNCHY'S EARTHMOVING PTY LTD	20/02/2025	Motor vehicle
202502200076582	PUNCHY'S EARTHMOVING PTY LTD	20/02/2025	Motor vehicle
202502210012079	PUNCHY'S EARTHMOVING PTY LTD	21/02/2025	Other goods
202502210012080	PUNCHY'S EARTHMOVING PTY LTD	21/02/2025	Other goods
202502210012098	PUNCHY'S EARTHMOVING PTY LTD	21/02/2025	Other goods
202205300013012	TOYOTA FINANCE AUSTRALIA LTD	30/05/2022	Motor vehicle
202205300013238	TOYOTA FINANCE AUSTRALIA LTD	30/05/2022	Motor vehicle
202211190004131	TOYOTA FINANCE AUSTRALIA LTD	19/11/2022	Motor vehicle
202211190004149	TOYOTA FINANCE AUSTRALIA LTD	19/11/2022	Motor vehicle
202211190004154	TOYOTA FINANCE AUSTRALIA LTD	19/11/2022	Motor vehicle

### 10.3 Historical financial information

The financial figures presented below in **sections 10.3.1** and **10.3.3** are derived from Centrex's audited financial statements as disclosed in its annual reports together with YTD management accounts for FY25. These figures are reported on a **consolidated basis**, meaning the below encompass the financial performance and position of Centrex as the parent entity and its 10 subsidiaries, including Agriflex, as if they are a single entity.

It should be noted that our appointment only relates to two entities of the Centrex Group, Centrex and Agriflex. Although the financial figures below include the results of entities not included in our appointment, we consider the impact of these other entities to be minimal (most of the entities only held mining exploration licenses and were not actively traded). As Agriflex was the main trading entity within the Group, we consider that presenting the consolidated figures not only provides a fairly representative picture of the situation, but also provides efficiencies from not having to recreate accounts and minimises the chances of a errors occurring in unconsolidated and unaudited accounts.

## 10.3.1 Balance Sheet Summary

<b>AUD \$'000</b>	<b>Notes</b>	<b>FY21</b>	<b>FY22</b>	<b>FY23</b>	<b>FY24</b>	<b>YTD FY25</b>
<b>Current Assets</b>						
Cash and cash equivalents	<b>1</b>	1,331	12,848	6,735	2,533	2,801
Short Term Investments		860	-	-	16	623
Accounts Receivable		1	476	843	132	165
Other Receivables		-	-	361	601	-
Inventory	<b>2</b>	-	-	4,710	13,093	14,130
Prepaid Expenses		79	79	441	363	719
Other Current Assets		-	-	-	38	102
<b>Total Current Assets</b>		<b>2,271</b>	<b>13,403</b>	<b>13,090</b>	<b>16,776</b>	<b>18,540</b>
<b>Non-Current Assets</b>						
Net Property, plant and equipment	<b>3</b>	11,910	22,439	28,975	37,012	12,559
Other Long-Term Assets		510	530	1,068	1,092	505
<b>Total Non-Current Assets</b>		<b>12,420</b>	<b>22,969</b>	<b>30,043</b>	<b>38,104</b>	<b>13,065</b>
<b>Current Liabilities</b>						
Accounts Payable	<b>4</b>	43	2,718	7,312	15,907	26,283
Accrued Expense		42	169	435	602	2,477
Borrowings	<b>5</b>	-	-	3,987	1,217	2,971
Current Portion of Leases		-	-	586	3,008	-
Lease Unearned Revenue		-	-	-	2,383	-
Other Current Liabilities		17	65	1,531	4,460	4,272
<b>Total Current Liabilities</b>		<b>102</b>	<b>2,952</b>	<b>13,851</b>	<b>27,577</b>	<b>36,003</b>
<b>Non-Current Liabilities</b>						
Long-Term Debt		-	-	1,651	3,859	7,655
Long-Term Leases		-	151	303	74	104
Pension & Other Post-Retire Benefits		-	-	53	82	233
Other Non-Current Liabilities	<b>6</b>	3,304	1,573	2,450	2,499	2,686
<b>Total Non-Current Liabilities</b>		<b>3,304</b>	<b>1,724</b>	<b>4,457</b>	<b>6,514</b>	<b>10,678</b>
<b>Net Assets</b>		<b>11,285</b>	<b>31,696</b>	<b>24,825</b>	<b>20,789</b>	<b>(15,076)</b>

### 10.3.2 Balance Sheet Notes

#### *Note1: Cash and Cash Equivalents*

- Cash and cash equivalents includes cash on hand and deposits held at call with financial institutions. As noted earlier in this report, NAB and Aurizon held security over the majority of the Companies' bank accounts and applied the cash against their secured debts either prior to or upon our appointment as Administrators.
- The Queensland Government hold security over a term deposit holding approx. \$587k as security for Agriflex's environmental rehabilitation bond.

#### *Note 2: Inventory*

- Inventory includes ore, crushed, rejects and concentrate stockpiles which are estimated at the lower of cost and net realisable value. Cost represents the weighted average cost and comprises of direct materials, direct labour and a 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, with the cost comprising of purchase and delivery costs, net of rebates and discounts received or receivable.
- The table below summarises the inventory balances as at 28 February 2025:

<b>Inventory Type</b>	<b>\$</b>
Mined Ore	7,582,473
Crushed	495,915
Processed	4,619,960
Concentrate in Transit	1,162,694
Sheeting Ore	505,498
<b>Total</b>	<b>14,366,540</b>

#### *Note 3: Net Property, Plant and Equipment*

- Includes property, plant and equipment (stated at historical cost less accumulated depreciation and impairment losses), right of use assets associated with lease contracts and developmental assets.
- We have engaged Gordon Brothers to perform a valuation on the PPE, details of which are withheld so as not to prejudice the sale process.

#### *Note 4: Accounts Payable*

- Primarily comprised of amounts owing to various trade suppliers. As at the date of our appointment as Administrators, the total owed to trade creditors is approx. \$26.4 million by Agriflex and approx. \$180,000 by Centrex.

#### *Note 5: Borrowings*

- Comprised of equipment finance loans and insurance premium funding.

*Note 6: Other non-current liabilities*

- Consists of rehabilitation and restoration provisions.
- These provisions account for the estimated costs 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. The costs are recognised when the obligation arises and, over time, are adjusted to reflect changes in discount rates and market conditions, with additional disturbances or cost revisions incorporated into the liability as incurred.

## 10.3.3 Profit and Loss Summary

AUS \$'000	Notes	FY21	FY22	FY23	FY24	YTD FY25
Revenue	1	-	214	25,967	30,651	37,079
Cost of goods sold	2	-	236	25,586	39,186	41,018
<b>Gross profit</b>		-	(22)	381	(8,535)	(3,940)
Selling General and Administration expense	3	773	2,037	7,304	8,411	5,070
Exploration/Drilling Costs		-	93	231	114	34
Stock-Based Compensation		-	132	2,393	1,194	-
Impairments	4	45	94	-	-	24,371
<b>Total Operating Costs</b>		818	2,356	9,928	9,719	29,475
<b>Operating profit (EBIT)</b>		(818)	(2,378)	(9,547)	(18,254)	(33,415)
Interest Expense		(10)	(365)	(64)	(1,175)	(2,569)
Interest and Investment Income		8	2	63	75	6
<b>Net Interest Expense</b>		(2)	(363)	(1)	(1,100)	(2,563)
Other Non-Operating Income/ (Expenses)		(13)	20	-	-	21
<b>EBT Excl. Unusual Items</b>		(833)	(2,721)	(9,548)	(19,354)	(35,960)
Other Unusual Items	5	(1,794)	(18,934)	-	31	-
<b>EBT Incl. Unusual Items</b>		(2,627)	(21,655)	(9,548)	(19,323)	(35,960)
<b>Net Income</b>		(2,627)	(21,655)	(9,548)	(19,323)	(35,960)

## 10.3.4 Profit &amp; Loss Notes

*Note 1: Revenue*

- Comprises predominantly of revenue from phosphate concentrate sales however also includes revenue from DARPS (being the sale of low-grade direct application crushed phosphate rock to certain customers), and hotel sales (revenue from the sale of goods).

*Note 2: Cost of Goods Sold*

- Includes costs incurred for the production of the phosphate concentrate.

*Note 3: Selling General and Administration Expenses*

- Predominantly driven by Insurance, legal and professional expenses, Office expenses and employee costs.

*Note 5: Impairments*

- The significant impairment in FY25 is as largely as a result of a recognition of an impairment loss on its development assets, specifically the Ardmore Phosphate Project, which was recorded in December 2024 in the management financial records.

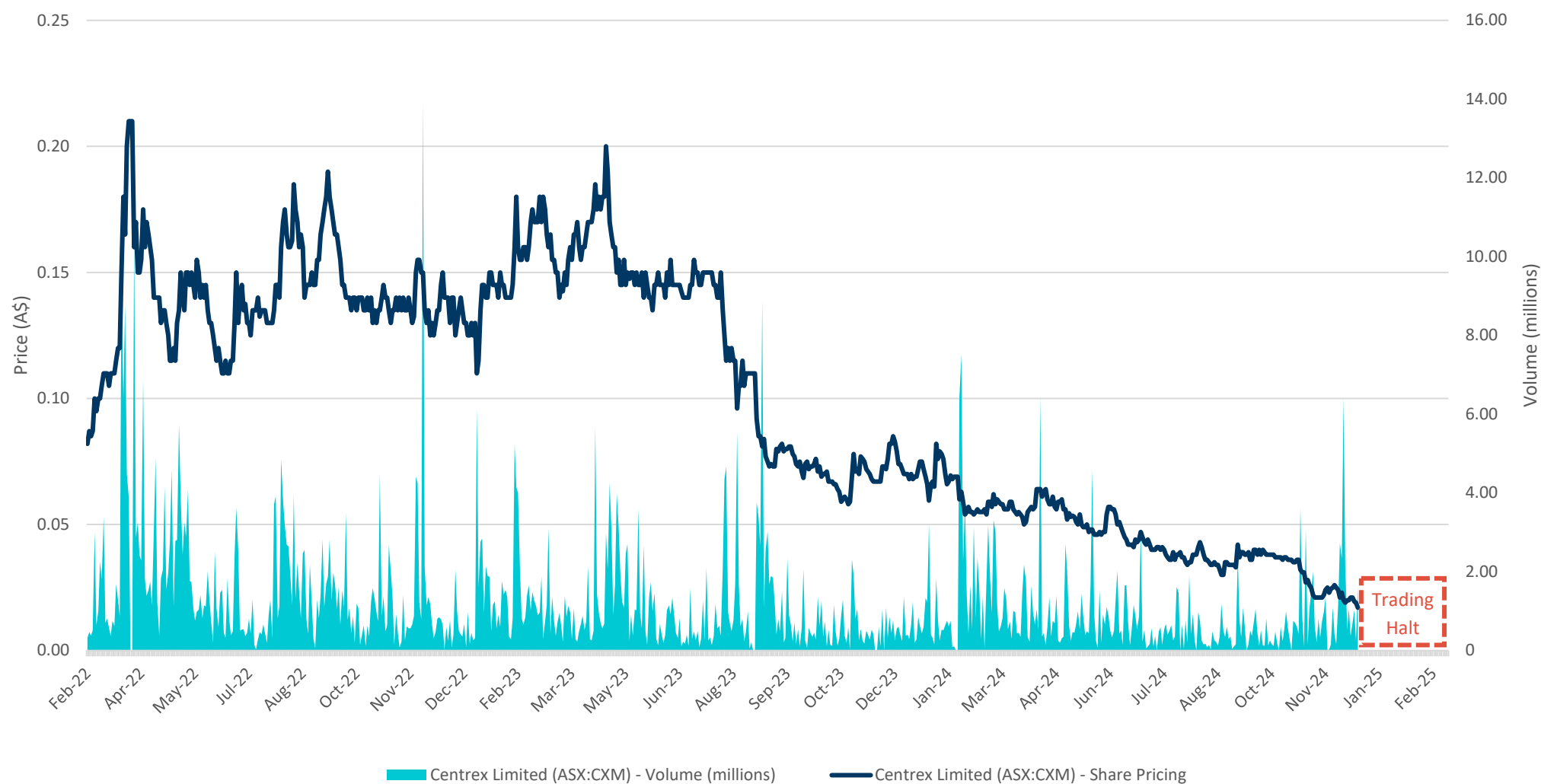
*Note 4: Other Unusual Items*

- The FY22 figure of \$18.9 million relates to the change in fair value of convertible notes.

## 10.4 Historical Share Price

The share price data is best considered in conjunction with the detailed timeline of major events provided earlier in this report.

ASX:CXM Share Price and Volume (last 3-years)





## 11. Appendix 3 – Investigations – analysis and information

### 11.1 General information and considerations

#### 11.1.1 Date of insolvency

In order to ascertain if there were any insolvent transactions entered into by a company, it is first necessary to determine the date a company became insolvent.

Proving the date on which a company became insolvent is an essential element of recovery actions with respect to unfair preferences, uncommercial transactions and insolvent trading.

Recovery actions require the liquidator to prove that the particular company was insolvent at the time of the transaction, or in the case of an insolvent trading action, when the debt was incurred.

#### 11.1.2 What is insolvency?

Solvency is defined in section 95A of the Act as when a company is able to pay all its debts as and when they become due and payable. A company that is not solvent is insolvent.

Whether a company is able to meet its debts as they become due is essentially a “cash flow” test rather than a “balance sheet” test (although the Companies’ balance sheet position is still relevant).

Consideration of the entire financial position of a company is required to establish if it is insolvent at a particular date. This includes factors such as the value of the Companies’ assets relative to its liabilities and the nature of these assets and liabilities. Also, the extent to which cash is expected to be generated from future trading activities, or available from alternative sources is relevant to considering a company’s solvency position.

#### 11.1.3 General and commercial considerations

Proving insolvency is often a complex exercise and usually involves considerable time and expense in thoroughly investigating all aspects of claims. Legal advice on the merits of claims is generally required.

Typically, insolvent trading claims are defended and directors may seek to rely on the statutory defences available to them.

Legal proceedings are often necessary for liquidators to pursue claims. This adds to the time and costs involved in pursuing claims. There is also inherent uncertainty involved with any litigation. As a result, commercial considerations are relevant, including whether the amount of the claim is large enough to pursue on a cost and risk/benefit basis.

The capacity of a party to pay any successful claim to a liquidator is also a relevant consideration in determining whether or not pursuing an action is likely to be in the interest of creditors.

Liquidators may not have funds to pursue actions. At other times, the liquidator may view the risks/benefits of pursuing an action not to be in the interest of creditors (for example, in cases where pursuing an action would use up the available cash/assets when otherwise a small dividend to creditors could be paid). In these circumstances, it is possible that a creditor or a litigation funder may wish to fund an action to pursue a claim. This typically occurs only when there is a very strong case and high prospect of success.

## 11.2 Indicators of potential insolvency

### 11.2.1 Factors to take into account

- The company has a history of continuing trading losses.
- The company is experiencing cash flow difficulties.
- The company is experiencing difficulties selling its stock, or collecting debts owed to it.
- The sum of realisable current assets (cash, inventory, debtors) is less than the sum of current liabilities (trade creditors, tax debts including superannuation payable, other short term liabilities) i.e. liquidity ratio is less than one.
- Creditors are not being paid on agreed trading terms and/or are either placing the company on cash-on-delivery terms or requiring special payments on existing debts before they will supply further goods and services.
- The company is not paying its Commonwealth and state taxes when due (e.g. pay-as-you-go instalments are outstanding, goods and services tax (GST) is payable, or superannuation guarantee contributions are payable).
- Legal action is being threatened or has commenced against the company, or judgements are entered against the company, in relation to outstanding debts.
- The company has taken out special arrangements with selected creditors or seeking alternative credit arrangements, such as high interest loans from non-traditional lenders.
- The company have reached the limits of its funding facilities and is unable to obtain appropriate further finance to fund operations—for example, through:
  - negotiating a new limit with its current financier; or
  - refinancing or raising money from another party.
- There is no further support available from related entities (e.g. shareholders or holding company – if any).
- The company is unable to produce accurate financial information on a timely basis that shows the company's trading performance and financial position or that can be used to prepare reliable financial forecasts.
- Company directors and/or key personnel have resigned, citing concerns about the financial position of the company or its ability to produce accurate financial information on the company's affairs.
- The company auditor has qualified their audit opinion on the grounds there is uncertainty that the company can continue as a going concern.
- The company have defaulted, or is likely to default, on its agreements with its financier.
- One or more of the company's financiers has taken action to recover debt, including but not limited to the appointment of an investigating accountant to assess the lender's exposure.

- Employees, or the company's bookkeeper, accountant or financial controller, have raised concerns about the company's ability to meet, and continue to meet, its financial obligations.
- It is not certain that there are assets that can be sold in a relatively short period of time to provide funds to help meet debts owed, without affecting the company's ongoing ability to continue to trade profitably.
- Inability to secure relevant and appropriate insurance coverage for the company.
- Loss of key customers or contracts that cannot be replaced.

Source: ASIC Regulatory Guide 217 - Duty to prevent insolvent trading: Guide for directors

ASIC's view is that these are some of the factors that a reasonable person would take into account when determining whether a company is insolvent. The list of factors is not intended to be exhaustive. There may be other factors that would indicate to a reasonable person that a company may be insolvent.

### 11.2.2 Indicators of insolvency

The table below illustrates the existence of the ASIC indicators of insolvency over a period of eight months prior to the appointment of Administrators together with the previous two financial years.

Indicator	FY23	FY24	Jul 24	Aug 24	Sep 24	Oct 24	Nov 24	Dec 24	Jan 25	Feb 25
Trading losses	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Insufficient cash flow	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Difficulties in selling stock or collecting debts	N	N	N	N	N	N	N	N	N	N
Current Ratio below 1										
Creditors paid outside terms / special arrangements	N	Y	Y	Y	Y	Y	Y	Y	Y	Y
Arrears of statutory liabilities	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y
Legal action threatened or commenced	IR	IR	IR	IR	IR	IR	IR	IR	IR	IR
Inability to obtain new or alternative funding	N	N	N	N	N	N	N	N	N	Y
Inability to produce accurate financial information	N	N	N	N	N	N	N	N	N	N
Resignation of directors or other senior management	N	Y	N	N	N	N	Y	Y	N	N
Qualified audit opinion	N	N	N	N	N	N	N	N	N	N
Company's financier has taken action to recover debt	N	N	N	N	N	N	Y	Y	Y	Y
Company has defaulted, or is likely to default, on its agreements with its financiers	N	N	N	N	N	N	Y	Y	Y	Y
Finance staff raise solvency concerns	IR	IR	IR	IR	IR	IR	IR	IR	IR	IR
Inability to sell surplus assets	N	N	N	N	N	N	N	N	N	N
Inability to secure relevant and appropriate insurance coverage	N	N	N	N	N	N	N	N	N	N
Loss of key customers or contracts	N	N	N	N	N	N	N	N	N	N

#### Key

Item	Symbol
Indicator present	Y
Further investigation required	IR
Indicator not considered present	N

The discussion in **section 11.3** below incorporates the indicators in the above table together with the additional factors contributing to our determination of solvency.

As noted in **section 6.3.1** of this report, our analysis and review was on an individual entity basis given we were not appointed over all entities within the corporate structure of Centrex. We note however the operations of each entity were considerably intertwined due to Centrex being the listed entity which raised equity to fund the operations of Agriflex and Agriflex's revenue being the only revenue source in the Group which therefore funded Centrex's operational expenses.

## 11.3 Solvency Analysis

### 11.3.1 Solvency review - Balance sheet test

The balance sheet test looks at whether a company can meet all current liabilities, irrespective of when they are due and payable, from current assets.

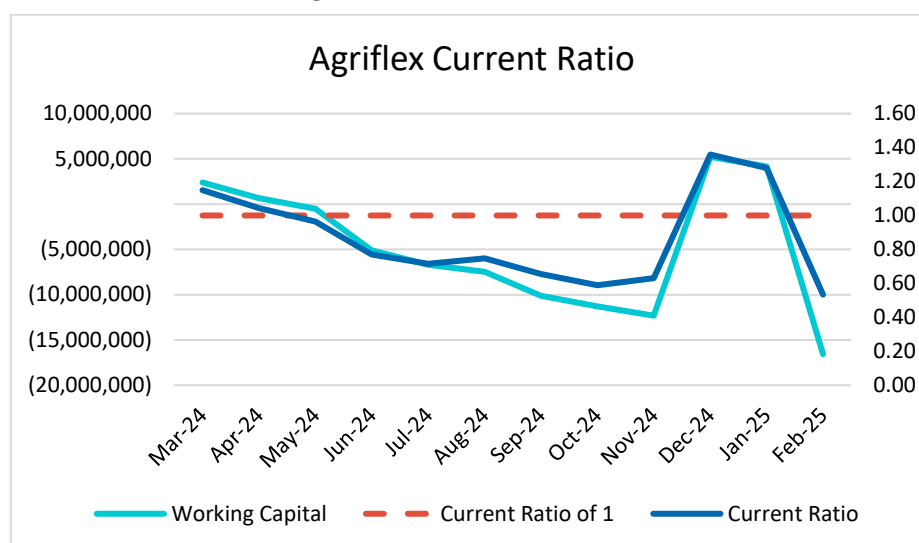
This is determined through the analysis of working capital and current ratio:

1. Working capital is a financial metric which represents the difference between a company's current assets and current liabilities. It indicates a company's short term financial health and ability to cover short term expenses.
2. The current ratio compares current assets to current liabilities. It is generally accepted a ratio of current assets to current liabilities below 1:1 is indicative of insolvency.

## Agriflex Balance Sheet – Management accounts ('000)

Account	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025
<b>Assets</b>														
<b>Current Assets</b>														
Cash	1,258	930	4,172	554	1,043	2,462	411	27	113	4	16	493	142	2,800
Term deposits	578	578	578	578	603	603	603	603	603	603	603	603	603	603
Debtors	80	89	118	2,052	87	132	112	87	1,827	2,374	25	4,207	79	165
Inventory	7,720	8,324	8,755	9,630	11,376	13,400	14,806	13,991	11,849	12,355	11,714	12,901	15,004	14,367
Other	824	726	4,808	3,193	676	576	877	7,377	4,807	854	8,579	1,588	3,252	1,026
<b>Total Current Assets</b>	<b>10,460</b>	<b>10,646</b>	<b>18,431</b>	<b>16,006</b>	<b>13,785</b>	<b>17,173</b>	<b>16,809</b>	<b>22,086</b>	<b>19,199</b>	<b>16,190</b>	<b>20,937</b>	<b>19,793</b>	<b>19,080</b>	<b>18,961</b>
<b>Non-Current Assets</b>	<b>36,314</b>	<b>36,480</b>	<b>36,442</b>	<b>36,338</b>	<b>36,845</b>	<b>36,582</b>	<b>36,866</b>	<b>37,017</b>	<b>37,025</b>	<b>36,759</b>	<b>36,690</b>	<b>12,330</b>	<b>12,243</b>	<b>12,057</b>
<b>Total Assets</b>	<b>46,774</b>	<b>47,126</b>	<b>54,873</b>	<b>52,345</b>	<b>50,630</b>	<b>53,755</b>	<b>53,675</b>	<b>59,103</b>	<b>56,224</b>	<b>52,949</b>	<b>57,627</b>	<b>32,122</b>	<b>31,323</b>	<b>31,017</b>
<b>Liabilities</b>														
<b>Current Liabilities</b>														
Trade Payables	12,128	10,339	10,010	13,389	12,444	20,996	22,084	27,098	27,528	23,595	29,328	12,843	12,252	30,155
Royalties	1,431	1,600	1,358	1,497	1,570	1,703	1,184	1,507	1,938	2,163	2,565	2,866	1,855	2,125
Borrowings	320	287	228	194	146	75	51	158	(21)	1,810	1,038	375	2,188	2,968
Payroll Liabilities	353	421	491	405	527	492	734	953	1,051	912	1,096	1,097	924	1,015
ATO Liabilities	(401)	(475)	(511)	(167)	(300)	(645)	(256)	(566)	(498)	(134)	(321)	(115)	(458)	93
Other	1,107	(777)	4,459	31	(90)	(331)	(298)	412	(670)	(884)	(451)	(2,504)	(1,855)	(835)
<b>Total Current Liabilities</b>	<b>14,938</b>	<b>11,394</b>	<b>16,034</b>	<b>15,349</b>	<b>14,296</b>	<b>22,289</b>	<b>23,500</b>	<b>29,562</b>	<b>29,328</b>	<b>27,463</b>	<b>33,256</b>	<b>14,563</b>	<b>14,906</b>	<b>35,520</b>
<b>Non-Current Liabilities</b>	<b>10,548</b>	<b>9,933</b>	<b>9,691</b>	<b>9,444</b>	<b>10,779</b>	<b>10,562</b>	<b>10,538</b>	<b>11,128</b>	<b>10,945</b>	<b>10,799</b>	<b>10,694</b>	<b>29,520</b>	<b>29,348</b>	<b>10,258</b>
Related Party Loan	32,646	38,316	41,634	41,299	41,039	40,845	40,638	40,395	40,270	39,993	39,968	39,739	39,514	39,483
<b>Total Liabilities</b>	<b>58,132</b>	<b>59,643</b>	<b>67,359</b>	<b>66,092</b>	<b>66,115</b>	<b>73,696</b>	<b>74,676</b>	<b>81,085</b>	<b>80,543</b>	<b>78,255</b>	<b>83,918</b>	<b>83,821</b>	<b>83,768</b>	<b>85,261</b>
<b>Net Assets</b>	<b>(11,358)</b>	<b>(12,517)</b>	<b>(12,486)</b>	<b>(13,748)</b>	<b>(15,485)</b>	<b>(19,941)</b>	<b>(21,001)</b>	<b>(21,983)</b>	<b>(24,318)</b>	<b>(25,306)</b>	<b>(26,291)</b>	<b>(51,699)</b>	<b>(52,445)</b>	<b>(54,243)</b>
<b>Working Capital</b>	<b>(4,478)</b>	<b>(748)</b>	<b>2,396</b>	<b>657</b>	<b>(511)</b>	<b>(5,116)</b>	<b>(6,691)</b>	<b>(7,476)</b>	<b>(10,128)</b>	<b>(11,273)</b>	<b>(12,319)</b>	<b>5,230</b>	<b>4,174</b>	<b>(16,559)</b>
<b>Current Ratio</b>	<b>0.70</b>	<b>0.93</b>	<b>1.15</b>	<b>1.04</b>	<b>0.96</b>	<b>0.77</b>	<b>0.72</b>	<b>0.75</b>	<b>0.65</b>	<b>0.59</b>	<b>0.63</b>	<b>1.36</b>	<b>1.28</b>	<b>0.53</b>

- The balance sheet of Agriflex presented above are extracts from Agriflex’s management accounts.
- We note the Companies’ management made manual adjustments to the Agriflex’s financials from August 2024 onwards. We have adopted the following adjustments based on management’s advice and records:
  1. Reversal of an accounts receivable entry of **-\$4.1 million** on 31 March 2024. Management advised this negative balance arose due to a discrepancy between an invoice date and payment date for same. We have subsequently adjusted ‘Other’ under current liabilities to recognise the c\$4.1m received as ‘unearned revenue’.
  2. Reclassification of debt owed to its rail and freight provider from a current liability to a non-current liability in December 2024 and January 2025 in accordance with calculations provided by management. Pursuant to the Deed of Forbearance, the due date for a portion of the debt owed to its rail and freight provider was extended to 31 January 2026. As a result of this, the debt was not considered payable within 12 months and was therefore reclassified.
- Additionally, we have undertaken the following adjustment based on the commercial reality of the related party loan:
  3. The related party loan from Centrex to Agriflex has been removed as a current asset and liability in each of the Companies respectively. This adjustment was made due to the material impact the related party loan account would have on the relevant individual solvency ratios of the Companies. Given the financial status of Agriflex during this period together with the Parent Company Guarantee provided by Centrex on behalf of Agriflex to its rail and freight provider, it can be inferred Centrex would not seek repayment of this loan.
- Our analysis of the balance sheet of Agriflex is set out below:



- The above graph demonstrates Agriflex had insufficient working capital and a current ratio below one from at least May 2024, materially declining from September 2024.
- The impact of the reclassification of Agriflex’s rail and freight provider’s debt (as noted above), is noticeable in the graph in the months of December 2024 and January 2025, significantly improving the working capital and current ratio of Agriflex. We provide the following further comments on this:
  - It was a short-term impact and does not change of our view on the estimated date of insolvency;
  - The Deed of Forbearance, with its rail and freight provider, was subject to a number of conditions, including but not limited to, the completion of the capital raise undertaken in January 2025, which was ultimately unsuccessful.

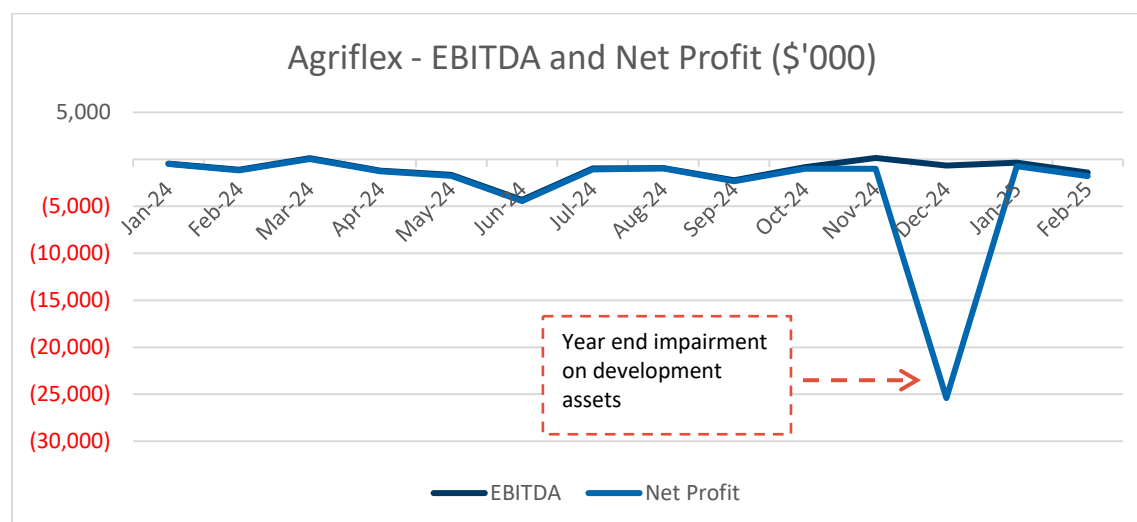
### 11.3.2 Solvency review – cash flow test

The cash flow test involves assessing a company's ability to meet its obligations as and when they fall due. There are many elements to consider and we have considered the following:

- EBITDA and profit and loss position – i.e. to assess a company's ability to generate sufficient cash to meet its obligations
- trade creditor ledgers and information (including ageing profile) – i.e. to assess whether a company has been meeting its payments on time
- statutory liability position - i.e. whether a company has been meeting its statutory liabilities
- sources of funding and support by financiers or related entities – i.e. to assess whether a company has any alternative sources of funding
- the existence of other indicia of insolvency

### 11.3.3 Continued trading losses

Agriflex's monthly net profit from January 2024 to February 2025 based on management accounts is as follows:

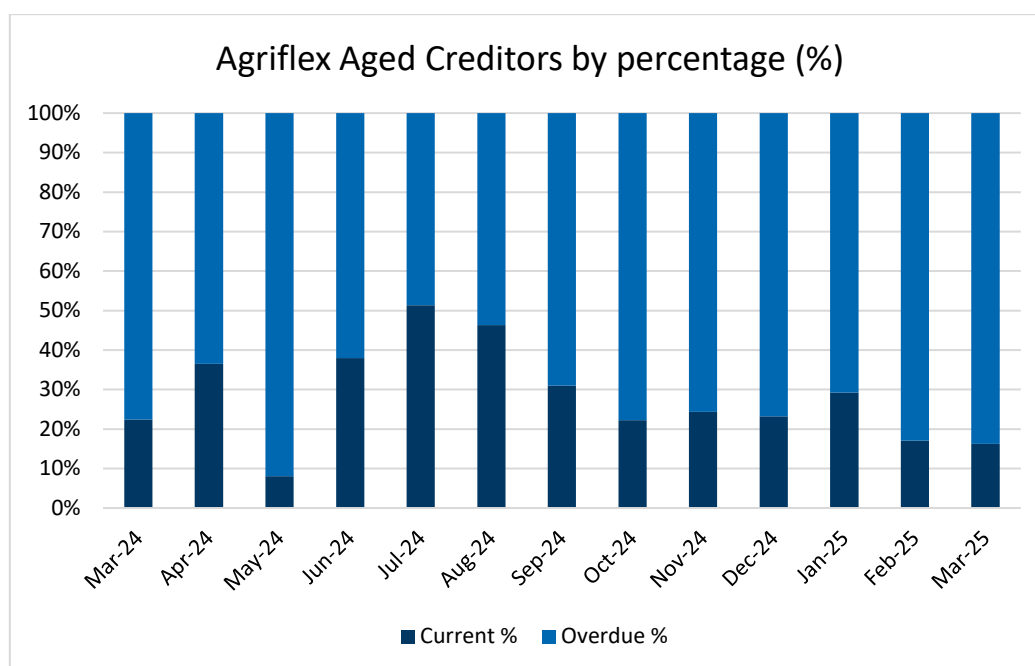
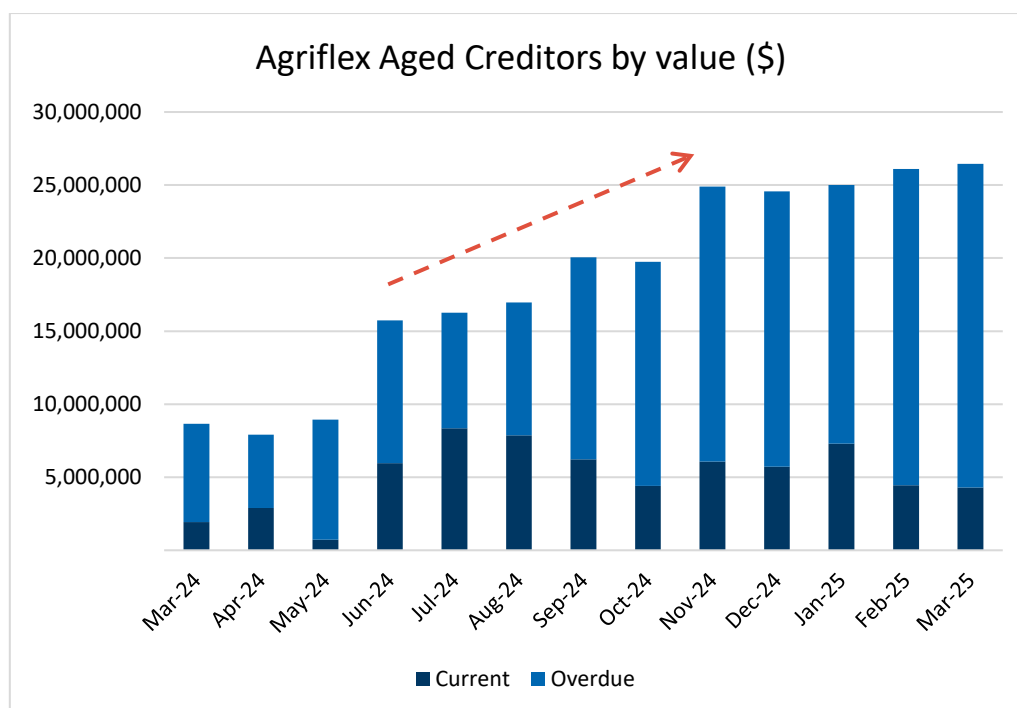


- As outlined above, Agriflex operated at a loss from an EBITDA level in all months observed with the exception of March and November 2024, wherein it recorded minor profits at an EBITDA level for those two months.
- Agriflex operated at a net loss in all months observed with the exception of March 2024, where it recorded a minor net profit.
- The significant net loss recorded in December 2024 is largely as a result of a recognition of an impairment loss (a non-cash item) on its development assets, specifically the Ardmore Phosphate Project mining lease.

### 11.3.4 Creditor review and ageing profile

The below graphs present Agriflex's aged creditor profile by value, and creditor ageing by percentage respectively:





Our observations are as follows:

- AP is aged by due dates. Overdue debts are any AP outstanding for more than 30 days after the due date (based on management financial records). We understand in practice the suppliers may have different terms to 30 days which may impact the split between current and overdue.
- We note the due date for the AP which are subject to the Deed of Forbearance have not been adjusted (December 2024 and January 2024). These debts are included with the overdue AP from 30 days after their original due date.

- With the exception of July 2024, Agriflex's aged creditors have been greater than 50% overdue for the past months.
- Overdue AP by dollar value began to significantly increase from June 2024 onwards, increasing by c\$6.7 million from May 2024 to June 2024 and a further \$4.3m from June 2024 to September 2024.

### 11.3.5 Arrangements with creditors

A change to terms of trade, cut off supply and entering payment arrangements are often indicia of insolvency. Payment arrangements can also change overdue debt into debt payable at a future point in time, thereby assisting to manage cash flows.

- Agriflex entered into two separate payment arrangements with its rail and freight provider after defaulting on its payment due in June 2024.
- Agriflex subsequently defaulted on both these payment arrangements in November 2024.

#### **Deeds of Forbearance with rail and freight provider**

- After these defaults, in late November 2024, Agriflex entered into an Interim Deed of Forbearance with its rail and freight provider, which among other things, deferred all unpaid amounts (up to including September 2024) totalling c\$16.25 million until 13 December 2024.
- In late December 2024, it entered into a further Deed of Forbearance. The debt was further deferred until January 2026, subject to a number of conditions precedent and subsequent, including a requirement for a successful capital raise of at least \$8 million, which was ultimately unsuccessful.

### 11.3.6 Arrears of statutory liabilities

- Upon appointment, Agriflex had no outstanding debt owing to the ATO. This appears to primarily be as a result of Agriflex being an exporter of materials and was hence owed significant GST input tax credits and Fuel tax credits, offsetting any accrued PAYG liability.
- In relation to Centrex, we note c\$230,000 was outstanding to the ATO as at the date of our appointment, relating to debts from October 2024 onwards.
- At the date of our appointment, Agriflex owed c\$1.86 million to the QRO in respect of outstanding mineral royalty payments which were outstanding from the financial year ended 30 June 2023 onwards and remain unpaid.

### 11.3.7 Access to funding

The Companies accessed funding from a range of sources, including capital raises by Centrex, equipment financing and an overdraft facility. A table demonstrating the external funding obtained by the Companies over time is below:

Date	Funding Event
August 2023	Centrex raised equity of \$4.25 million through a share placement (\$4.07 million) and a share purchase plan (\$0.18 million).
February 2024	Centrex raised a further \$10 million in equity through a share placement (\$8 million) and a share purchase plan (\$2 million).
February 2024	Agriflex obtained a \$10 million financing package from NAB to assist with Stage 1.5 expansion, comprising CAPEX of \$5 million, \$3.8 million of equipment finance and a \$1 million bank guarantee facility.
14 January 2025	Agriflex obtained a temporary overdraft facility of \$2.2 million from NAB.
21 January 2025	Centrex issued a prospectus for capital raising for a further \$10.4 million in capital.
11 February 2025	NAB approved an increase in Agriflex's temporary overdraft facility limit to \$2.5 million, on the condition the full amount be repaid by 21 February 2025.
21 February 2025	Agriflex defaulted on repayment of \$2.47m overdraft balance to NAB.
5 March 2025	The Administrators cancelled the proposed issue of Centrex securities. Funds collected in relation to the failed share issue were held on trust, and were subsequently returned to the contributors.

- Based on our discussions with the Directors and finance staff of the Companies, we understand funds raised by Centrex through equity financing would flow to Agriflex in the form of a related party loan. Therefore, while Centrex was able to raise capital, Agriflex would likely have access to these funds as an alternate source of funding.
- While Agriflex obtained access to a temporary overdraft facility of \$2.2 million in January 2025, with a subsequent increase to \$2.5 million in February 2025, this was insufficient for the purposes of alleviating its cash flow issues. Management advised the overdraft facility was primarily used to cover employee wages and the purchase of critical spare parts.
- Additionally, the subsequently failed capital raise commenced in January 2025 by Centrex highlights and points to the limited ability to raise any further funds via this avenue.
- As such, it is our preliminary view that from March 2024, the Companies were unable to or had difficulties in sourcing any further funding to alleviate its cash flow issues.

### 11.3.8 Centrex balance sheet

As previously noted, our focus has predominantly centred around the solvency of Agriflex as the solvency of Centrex is intrinsically linked. However, for completeness, a summary of Centrex's balance sheets per management financials is provided below for the period January 2024 to February 2025.

#### Centrex Management Accounts Balance Sheet ('000)

Account	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025
<b>Assets</b>														
<b>Current Assets</b>														
Cash	1,449	2,860	1,459	59	50	71	46	37	52	65	28	31	46	21
Prepayments	58	52	47	41	36	30	24	24	18	23	81	75	69	64
Investments in Associates	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Current Assets</b>	<b>1,507</b>	<b>2,912</b>	<b>1,506</b>	<b>100</b>	<b>85</b>	<b>101</b>	<b>71</b>	<b>61</b>	<b>70</b>	<b>88</b>	<b>109</b>	<b>107</b>	<b>116</b>	<b>84</b>
<b>Non-Current Assets</b>	<b>379</b>	<b>403</b>	<b>406</b>	<b>424</b>	<b>427</b>	<b>429</b>	<b>431</b>	<b>444</b>	<b>448</b>	<b>454</b>	<b>461</b>	<b>467</b>	<b>503</b>	<b>503</b>
Related Party Loan	32,646	38,316	41,634	41,299	41,039	40,845	40,638	40,395	40,270	39,993	39,991	39,739	39,514	39,483
<b>Total Assets</b>	<b>34,532</b>	<b>41,631</b>	<b>43,546</b>	<b>41,822</b>	<b>41,552</b>	<b>41,375</b>	<b>41,140</b>	<b>40,900</b>	<b>40,787</b>	<b>40,535</b>	<b>40,560</b>	<b>40,312</b>	<b>40,133</b>	<b>40,070</b>
<b>Liabilities</b>														
<b>Current Liabilities</b>														
Accounts Payable	230	295	340	209	109	180	159	104	223	201	364	232	214	179
ATO Liabilities	106	(5)	46	47	46	50	59	59	54	44	85	168	225	269
Provision for Payroll Tax	15	19	17	20	21	25	11	13	16	18	22	36	28	31
Offset of Deposits Greater Than 90 Days	1,350	1,350	1,350	-	-	-	-	-	-	-	-	-	-	-
Other Liabilities	5	7	12	8	15	9	14	11	9	7	9	7	5	3
<b>Total Current Liabilities</b>	<b>1,706</b>	<b>1,666</b>	<b>1,765</b>	<b>283</b>	<b>191</b>	<b>263</b>	<b>243</b>	<b>187</b>	<b>302</b>	<b>270</b>	<b>479</b>	<b>444</b>	<b>472</b>	<b>483</b>
<b>Non-Current Liabilities</b>	<b>366</b>	<b>291</b>	<b>274</b>	<b>258</b>	<b>290</b>	<b>381</b>	<b>422</b>	<b>409</b>	<b>363</b>	<b>380</b>	<b>465</b>	<b>431</b>	<b>406</b>	<b>420</b>
<b>Total Liabilities</b>	<b>2,072</b>	<b>1,956</b>	<b>2,039</b>	<b>540</b>	<b>481</b>	<b>644</b>	<b>665</b>	<b>596</b>	<b>665</b>	<b>650</b>	<b>944</b>	<b>874</b>	<b>879</b>	<b>903</b>
<b>Net Assets</b>	<b>32,460</b>	<b>39,674</b>	<b>41,507</b>	<b>41,282</b>	<b>41,071</b>	<b>40,731</b>	<b>40,476</b>	<b>40,304</b>	<b>40,121</b>	<b>39,885</b>	<b>39,616</b>	<b>39,438</b>	<b>39,254</b>	<b>39,167</b>
<b>Working Capital</b>	<b>(199)</b>	<b>1,247</b>	<b>(260)</b>	<b>(183)</b>	<b>(106)</b>	<b>(162)</b>	<b>(172)</b>	<b>(126)</b>	<b>(233)</b>	<b>(182)</b>	<b>(370)</b>	<b>(337)</b>	<b>(357)</b>	<b>(399)</b>
<b>Current Ratio</b>	<b>0.88</b>	<b>1.75</b>	<b>0.85</b>	<b>0.35</b>	<b>0.45</b>	<b>0.38</b>	<b>0.29</b>	<b>0.32</b>	<b>0.23</b>	<b>0.33</b>	<b>0.23</b>	<b>0.24</b>	<b>0.25</b>	<b>0.17</b>

## 11.4 Date of insolvency

When considering all of the aforementioned analysis into the Companies' affairs and as summarised in **Section 6.3.2**, it is our preliminary view the Companies were likely insolvent from at least September 2024 and remained so up until the appointment of Voluntary Administrators on 3 March 2025.

As noted earlier in this report, the Administrators have formed the view the solvency of Centrex is contingent on the solvency of Agriflex for the reasons outlined in section 6.3.1 and as such, our focus of investigations has primarily been around Agriflex whilst considering the financial position of Centrex at each relevant point in time.

### 11.4.1 Preliminary view on liability for insolvent trading

The potential value of the insolvent trading claim (before consideration of litigation funding costs) is estimated to be up to **\$9.4 million**. This represents the amount of debt incurred from September 2024 onwards which remains outstanding at the date of appointment.

As mentioned in **section 6.3** of this report, if the Directors are eligible for Safe harbour protection for the period September 2024 to the date of our appointment, this claim may reduce to nil or be significantly reduced. In the event a liquidator is appointed, further investigations will be undertaken as to the recoverability of a successful insolvent trading claim.

## 11.5 Voidable transactions

We set out below our preliminary findings in relation to potential recoveries from voidable transactions in a liquidation scenario.

Our preliminary review of the Companies' records indicate it is possible there may be preferential payments to trade and statutory creditors of **c\$1.6 million**.

Due to recent clarification of the legal position with respect to the running balance defence in unfair preference claims, each creditor relationship must be examined based on its individual circumstances and we note further substantial investigations will need to be undertaken before any decision could be made to pursue preferences. Such analysis will involve a forensic review of each creditors trading relationship with the Companies.

### 11.5.1 Unfair loans

Pursuant to section 588FD of the Act, a liquidator can treat an unfair loan as voidable. A loan is considered unfair if:

- The interest on the loan was extortionate; or
- The charges associated with the loan were / are extortionate.

At this stage, based on our preliminary review, we do not consider any loan made to or within the Companies, constitutes an unfair loan.

### 11.5.2 Uncommercial transactions

An uncommercial transaction is one where it may be expected a reasonable person in the company's circumstances would not have entered into, having regard to:

- The benefit or detriment to the company;
- The respective benefits to other parties; and
- Any other relevant matter.

Based on our investigations to date, we have not identified any transaction which meet the criteria of uncommercial transactions.

### 11.5.3 Voidable charges

The financial impact of any voidable charges in a liquidation scenario will be provided to creditors in the supplementary report. Further investigations are required to determine whether the security interests are valid and to determine the financial impact in a liquidation scenario.

### 11.5.4 Offences by directors

The Directors owe the duties described below to the Companies:

- Section 180 – Act with care and diligence

The Directors must exercise their powers and discharge their duties with the degree of care and diligence a reasonable person would exercise if they:

- Were a director or officer of a corporation in the company's circumstances; and
- Occupied the office held by, and had the same responsibilities with the corporation as the director or officer.

Based on our investigations to date we have not yet identified an offence under this section, however this will be subject to further investigations, including the application of the business judgement rule, if a liquidation were to occur.

- Section 181 - Act in good faith

The Directors are required to act in good faith in the best interests of the Companies and for a proper purpose. Acting in the best interest of the Companies require a belief, at the time a decision is made, the course of action will result in a benefit to the Companies.

Based on our investigations to date, we have not identified any instances which indicate a breach of this duty.

- Section 182 – Use of position

The Directors must not improperly use their position, or information they obtain because they are a director, to gain an advantage for themselves or someone else, or cause detriment to the Companies.

Based on our investigations to date, we have not identified any instances which indicate a breach of this duty.

■ Section 183 – Use of information

The Directors owe a duty to the Companies to not improperly use information to gain an advantage for themselves or cause detriment to the Companies.

Based on our investigations to date, we have not identified any instances which indicate a breach of this duty.

■ Section 588G – Duty to prevent insolvent trading

The Directors owe a duty to prevent the Companies from trading whilst insolvent. If the Directors traded the Companies whilst insolvent and are unable to avail themselves of the Safe Harbour provisions as defined in section 588GA of the Act or the defences in section 588G of the Act, they can be held liable for debts incurred by the Companies while trading insolvent.

Based on our preliminary investigations, as detailed in **Section 11.3**, it appears the Companies traded while insolvent from September 2024.

Our preliminary view of the ability to claim Safe Harbour protection is detailed in **Section 6.3**. The Directors have availed themselves to Safe Harbour protection and this will require further investigation in the event of liquidation of the Companies.

## 12. Appendix 4 – Creditor Information Sheet

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## Voluntary Administration Creditor Information Sheet

### Offences, Recoverable Transactions and Insolvent Trading



#### Offences

A summary of offences under the Corporations Act that may be identified by the administrator:

180	Failure by company officers to exercise a reasonable degree of care and diligence in the exercise of their powers and the discharge of their duties.
181	Failure to act in good faith.
182	Making improper use of their position as an officer or employee, to gain, directly or indirectly, an advantage.
183	Making improper use of information acquired by virtue of the officer's position.
184	Reckless or intentional dishonesty in failing to exercise duties in good faith for a proper purpose. Use of position or information dishonestly to gain advantage or cause detriment. This can be a criminal offence.
198G	Performing or exercising a function or power as an officer while a company is under administration.
206A	Contravening a court order against taking part in the management of a corporation.
206A, B	Taking part in the management of corporation while being an insolvent, for example, while bankrupt.
206A, B	Acting as a director or promoter or taking part in the management of a company within five years after conviction or imprisonment for various offences.
209(3)	Dishonest failure to observe requirements on making loans to directors or related companies.
254T	Paying dividends except out of profits.
286	Failure to keep proper accounting records.
312	Obstruction of an auditor.
314-7	Failure to comply with requirements for the preparation of financial statements.
437D(5)	Unauthorised dealing with company's property during administration.
438B(4)	Failure by directors to assist administrator, deliver records and provide information.
438C(5)	Failure to deliver up books and records to the administrator.
588G	Incurring liabilities while insolvent
588GAB	Officer's duty to prevent creditor-defeating disposition
588GAC	A person must not procure a company to make a creditor-defeating disposition
590	Failure to disclose property, concealed or removed property, concealed a debt due to the company, altered books of the company, fraudulently obtained credit on behalf of the company, material omission from Report as to Affairs or false representation to creditors.
596AB	Entering into an agreement or transaction to avoid employee entitlements.

#### Recoverable Transactions

##### Preferences

A preference is a transaction, such as a payment by the company to a creditor, in which the creditor receiving the payment is preferred over the general body of creditors. The relevant period for the payment commences six months before the commencement of the liquidation. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

Where a creditor receives a preference, the payment is voidable as against a liquidator and is liable to be paid back to the liquidator subject to the creditor being able to successfully maintain any of the defences available to the creditor under the Corporations Act.

##### Creditor-defeating disposition

Creditor-defeating dispositions are the transfer of company assets for less than market value (or the best price reasonably obtainable) that prevents, hinders or significantly delay creditors' access to the company's assets in liquidation. Creditor-defeating dispositions are voidable by a liquidator.



### *Uncommercial Transaction*

An uncommercial transaction is one that it may be expected that a reasonable person in the company's circumstances would not have entered into, having regard to the benefit or detriment to the company; the respective benefits to other parties; and any other relevant matter.

To be voidable, an uncommercial transaction must have occurred during the two years before the liquidation. However, if a related entity is a party to the transaction, the period is four years and if the intention of the transaction is to defeat creditors, the period is ten years. The company must have been insolvent at the time of the transaction, or become insolvent because of the transaction.

### *Unfair Loan*

A loan is unfair if and only if the interest was extortionate when the loan was made or has since become extortionate. There is no time limit on unfair loans – they only must be entered into before the winding up began.

### *Arrangements to avoid employee entitlements*

If an employee suffers loss because a person (including a director) enters into an arrangement or transaction to avoid the payment of employee entitlements, the liquidator or the employee may seek to recover compensation from that person or from members of a corporate group (Contribution Order).

### *Unreasonable payments to directors*

Liquidators have the power to reclaim 'unreasonable payments' made to directors by companies prior to liquidation. The provision relates to payments made to or on behalf of a director or close associate of a director. The transaction must have been unreasonable, and have been entered into during the 4 years leading up to a company's liquidation, regardless of its solvency at the time the transaction occurred.

### *Voidable charges*

Certain charges over company property are voidable by a liquidator:

- circulating security interest created within six months of the liquidation, unless it secures a subsequent advance;
- unregistered security interests;
- security interests in favour of related parties who attempt to enforce the security within six months of its creation.

## Insolvent trading

In the following circumstances, directors may be personally liable for insolvent trading by the company:

- a person is a director at the time a company incurs a debt;
- the company is insolvent at the time of incurring the debt or becomes insolvent because of incurring the debt;
- at the time the debt was incurred, there were reasonable grounds to suspect that the company was insolvent;
- the director was aware such grounds for suspicion existed; and
- a reasonable person in a like position would have been so aware.

The law provides that the liquidator, and in certain circumstances the creditor who suffered the loss, may recover from the director, an amount equal to the loss or damage suffered. Similar provisions exist to pursue holding companies for debts incurred by their subsidiaries.

A defence is available under the law where the director can establish:

- there were reasonable grounds to expect that the company was solvent and they did so expect;
- they did not take part in management for illness or some other good reason; or
- they took all reasonable steps to prevent the company incurring the debt.

The proceeds of any recovery for insolvent trading by a liquidator are available for distribution to the unsecured creditors before the secured creditors.

**Important note:** This information sheet contains a summary of basic information on the topic. It is not a substitute for legal advice. Some provisions of the law referred to may have important exceptions or qualifications. This document may not contain all of the information about the law or the exceptions and qualifications that are relevant to your circumstances.

**Queries about the voluntary administration should be directed to the administrator's office.**

## 13. Appendix 5 – Receipts and Payments

### Receipts and Payments of Agriflex Pty Ltd to 30 March 2025

Item	Total (\$)
<b>Receipts</b>	
Pre-Appointment Debtors	51,562.63
Sales	52,156.04
Sales (Hotel)	4,011.50
Funding Advance	350,000.00
Petty Cash	1,856.35
<b>Total Receipts</b>	<b>459,586.52</b>
<b>Payments</b>	
Wages	(371,152.22)
Staff Reimbursements	(1,383.51)
Flights	(3,943.66)
Rent	(3,653.53)
Trade Suppliers	(6,137.50)
<b>Total Payments</b>	<b>(386,270.42)</b>
<b>Net Receipts and Payments</b>	<b>73,316.10</b>