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For Immediate Release

Thursday 1 March 2007

General Manager
The Company Announcements Office
Australian Stock Exchange
Electronic Lodgment System

Dear Sir/Madam

INTERIM FINANCIAL REPORT 2006

Please find attached the Interim Financial Report for the six months ended 31 December 2006

For further information, please contact Vicky Allinson on 08 8232 8800.

A handwritten signature in black ink, appearing to read 'V. Allinson', is written over a horizontal line.

Vicky Allinson
Company Secretary
Centrex Metals Limited

CENTREX METALS LTD

A.B.N. 97 096 298 752

INTERIM FINANCIAL REPORT

31 DECEMBER 2006

CENTREX METALS LTD

A.B.N. 97 096 298 752

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CENTREX METALS LTD
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Directors' Report

For the six months ended 31st December 2006

The directors present their report together with the consolidated financial report for the half-year ended 31 December 2006 and the review report thereon.

Directors

The directors of the Company at any time during or since the end of the half-year are:

Name	Period of directorship
Non-executive	
Mr David J Lindh Chairman	Appointed 23/03/01
Mr Norton Jackson Non-Executive Director	Appointed 23/03/01
Mr David Klingberg Non-Executive Director	Appointed 19/04/05
Executive	
Mr Gerard Anderson	Appointed 11/04/06

Review of operations

1.) Corporate Activities

Centrex Metals Limited ("Centrex") listed on the Australian Stock Exchange ("ASX") on 17 July 2006 with quotation of the shares and options occurring on 19 July 2006. The Centrex IPO raised \$8,152,086 from the issue 40,760,432 new shares at \$0.20 per share.

On the 19th July Centrex announced to the ASX that it had reached agreement with Baotou Iron and Steel (Group) Co., Ltd ("Baotou") over the placement of 21.9 million ordinary shares at \$0.20 per share. On 7th September 2006 Centrex announced that it had completed the placement of the shares to Baotou following approval of the investment by the Foreign Investment Review Board. The placement which raised a further \$4.38 million was issued within the Company's 15% capacity in accordance with Section 7.1 of the ASX listing rules and pursuant to Section 708(a) of the Corporations Act.

2.) Exploration Activities

Most activities for the Company during the reporting period related to exploration drilling activities on EL3317 Wilgerup area.

EL 3317 Wilgerup Area

Drilling commenced at Wilgerup on 6th September 2006. By the end of the reporting period, one hundred and ten (110) RC holes for 9,681 drill metres had been completed. Drilling was still in progress as at 31 December 2006.

The drilling targeted delineation and extension of two hematite occurrences – the North and South Pods and to provide preliminary drill coverage of several gravity/magnetic targets in the immediate Wilgerup area that may reflect the presence of hematite mineralisation.

The Wilgerup hematite deposit occurs within Hutchison Group iron formation and was discovered in the 1990s by WMC whilst exploring for base metals. The iron formation in the area is buried beneath 20-25 metres of Tertiary sand cover. Ownership of the area subsequently passed to Rio Tinto. Following broad spaced drilling, CSIRO on behalf of Hamersley Iron Pty Ltd estimated an Inferred hematite resource of 7.9 million tonnes grading 59.8% Fe (Centrex Metals Limited Prospectus pp22 &24).

Drilling on the North Hematite Pod was initially conducted on a nominal 160m x 40m drill spacing. Encouraging results led to infill drilling to provide closer spaced drill coverage.

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Directors' Report

For the six months ended 31st December 2006

Review of operations (continued)

Hematite was intersected from immediately below the sand cover to vertical depths of at least 172 metres. Holes W6R001 to W6R007 were drilled at -60 degrees on a bearing of 270 degrees. Holes from W6R008 were drilled at the vertical to reduce problems with hole stability caused primarily by mixed wet clay and hematite binding the drill rods.

Significant North Pod intersections included the following:

Hole Number	From (m)	To (m)	Intersection (m)	% Fe	% SiO ₂	% Al ₂ O ₃	% LOI	% P
W06R004	30	52	22	61.6	3.32	1.63	3.17	0.546
W06R005	40	48	8	59.5	4.76	3.06	4.71	0.177
	76	102	26	61.7	2.21	1.54	2.91	0.796
W06R006 including and	86	132	46	57.5	4.45	2.97	4.03	0.679
	86	106	20	60.1	3.10	1.82	3.05	0.672
	120	132	12	56.9	4.59	3.19	4.55	0.731
W06R007	36	66	30	58.6	3.39	1.63	4.12	1.207
W06R008	52	94	42	64.0	1.70	1.25	3.37	0.070
W06R012	24	32	8	62.2	5.51	1.42	2.18	0.329
W06R013	66	102	36	61.7	2.65	1.66	2.06	0.795
W06R021	68	76	8	59.6	4.41	3.05	5.18	0.165
	82	90	8	62.6	2.89	1.40	4.27	0.101
W06R022	46	78	32	61.3	1.96	1.93	5.48	0.545
W06R026 including and and	42	70	28	59.9	4.40	1.72	5.28	0.136
	42	52	10	61.7	5.62	1.80	2.80	0.095
	54	60	6	62.2	3.20	1.47	3.60	0.157
	64	70	6	61.2	2.28	1.43	6.25	0.104
W06R096	74	84	10	59.9	2.04	1.01	4.36	0.458
W06R098	48	58	10	61.3	3.32	2.34	2.73	0.652
W06R100	34	46	12	60.2	2.13	1.30	5.75	0.806
	54	70	16	60.6	2.46	1.70	2.49	1.204
W06R101 including	24	32	8	60.2	6.93	1.41	3.42	0.176
	50	128	78	63.7	1.79	1.43	3.81	0.279
	62	124	62	65.6	1.12	0.95	2.96	0.192
W06R102	30	36	6	63.0	1.66	1.35	4.88	0.345
	40	78	38	62.4	1.87	1.41	2.65	0.913
W06R103	24	36	12	61.9	1.69	1.34	6.60	0.311
	40	44	4	62.8	1.12	1.22	4.04	0.695
	50	60	10	59.5	2.38	2.27	7.22	0.492
	72	78	6	61.5	2.14	1.64	3.53	0.853

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Directors' Report

For the six months ended 31st December 2006

Review of operations (continued)

Samples of hematite clay and hematite carbonate were collected for mineralogical assessment and batch scrubbing/wet screening test work.

Drilling on the North Hematite Pod was initially conducted on 160m x 80m centres. The assay results demonstrated that infill drilling was warranted. 80m x 20m and 80m x 40m resource definition drilling should be completed by early February 2007. This density of drilling is considered sufficient to support the estimation of an Indicated Resource as a pre-cursor to conducting preliminary mine design and economic analysis of the project.

At the end of the period there was a backlog of assays from North Pod drilling.

Drilling of the South Pod intersected variable hematite mineralisation. No assays had been received for this drilling during the period however the Company does not expect that ore grade intercepts will be recorded.

Gravity Survey

In conjunction with the drilling program, a close spaced gravity survey was completed over 16km² of the Exploration Licence. Due to the buried nature of the deposit, the Company uses geophysics to aid drill hole targeting. The existing aeromagnetic surveys combined with the gravity surveys provide the ability to better "see through" the sand cover and interpret where hematite mineralisation might occur. The capability of the geophysical modelling is evidenced by the North Hematite Pod where the hematite coincides with a clearly defined gravity anomaly.

Drilling of Immediate Gravity Targets

Drilling was completed on a series of targets having reduced magnetic and enhanced gravity responses. Whilst the drilling intersected hematite none of the intercepts are considered to be of ore grade.

Preliminary Metallurgical Test Work

Two samples were submitted to AMDEL to determine the nature and deportment of phosphorus bearing minerals in the hematitic ore.

Preliminary scoping test work was undertaken by AMDEL on two material types that may be beneficiable. Along with massive and bedded hematite the North Pod contains intervals of hematite/clay (angular hematite fragments in a red puggy clay matrix) and of bedded hematite carbonate. Three (3) hematite/clay samples were collected and submitted for batch scrubbing/wet screening to determine if the material could be upgraded.

Hematite carbonate rock occurs on the footwall to hematite and grades vertically into hematite-altered dolomite. Two (2) hematite carbonate samples were also collected and submitted for batch scrubbing/wet screening to determine if the material can be beneficiated to ore grade.

Results of the test work are pending.

Diamond Drilling

The Company intends to conduct diamond drilling on the North Pod in early February 2007. The diamond drilling will be used to provide samples for ore characterisation test work and to drill the deposit at depth.

Other Tenements - EL 3609 Cockabidnie Area (formerly EL2815); EL 3018 Kimba Gap Area; EL 3048 Ironstone Hut Area; EL 3125 Ironstone Hill Area; EL 3287 Stony Hill Area; EL 3375 Gilles Downs Area; EL 3401 Lock Area; EL 3421 Dutton Bay Area

During the period Notices of Entry were initiated and landholders notified of an impending low level aeromagnetic survey.

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Directors' Report (continued)

For the six months ended 31st December 2006

Review of operations (continued)

The aerial survey contractor has experienced several delays due to weather resulting in the Centrex Metals work programme being delayed until mid-February 2007.

A field orientation visit was made to EL 3287 Stony Hill Area and a Notice of Entry initiated informing landowners of an impending drilling program. Drill targets were finalised based on further interpretation of the detailed aeromagnetic data.

A Work Area Clearance Agreement was signed with the Barnjarla Native Title Claimants. The site survey was undertaken on 14th December and confirmed that the Company could drill all of its proposed drill holes on EL3287 Stony Hill.

3.) Covenants

The mineral tenements currently held 100% by the consolidated entity and available for mineral exploration are listed below. Centrex Metals Limited applied for and was granted two Amalgamated Expenditure Agreements, the Northern Amalgamated Expenditure Agreement and the Southern Amalgamated Expenditure Agreement. Two tenements Lock EL 3401 and Cockabidnie EL 3609 were excluded from the Agreements. The annual spend covenants to maintain exploration rights are as follows:

<u>Northern Amalgamated Expenditure Agreement</u>	<u>Covenants (\$)</u>
Kimba Gap EL 3018; Ironstone Hut EL 3048; Whyalla EL 3125; Stony Hill EL 3287; Gilles Downs EL 3375 and Bungalow EL3610 (formerly EL 2817)	\$315,000
<u>Southern Amalgamated Expenditure Agreement</u>	
Carrow EL 2887; Mount Hill EL 2905; Wanilla EL 3269; Wilgerup EL 3317; Dutton Bay EL 3421 and Greenpatch EL 3611	\$510,000
<u>Individual Tenements</u>	
Cockabidnie EL 3609 (formerly EL 2815)	\$50,000
Lock EL 3401	\$75,000
Total Covenants	\$950,000

The covenant may be subject to renegotiation, be farmed out or may be relinquished and have not been provided for the financial statements.

The consolidated entity proposes to continue exploration of its tenements during the coming year with the aim of increasing the consolidated entity's resource base of iron ore.

The consolidated entity is continuing with plans to complete exploration for hematite at Wilgerup and commenced drilling on 6 September 2006. Drilling was still in progress at the end of the reporting period.

The directors have assessed the status of all of the consolidated entity's tenements and believe all tenements have sufficient remaining mineral potential to warrant continued exploration. Tenement exploration will continue to be prioritised aimed to maximise the benefit to be received from exploration.

Directors' Report

For the six months ended 31st December 2006

4.) Iron Ore Haulage Heads of Agreement for Wilgerup Iron ore Deposit

On 21st February 2007 Centrex Metals Limited announced that it had reached agreement in principle with Genesee & Wyoming Australia Pty Ltd ("G&W Australia") whereby G&W Australia will rail hematite to the port of Port Lincoln along the Port Lincoln to Lock rail line for the duration of the Wilgerup hematite mining and exporting operation under a proposed Rail Freight Agreement.

The agreement is conditional on Centrex demonstrating an economic project. A Probable Reserve of hematite ore is expected to be completed prior to 31 March 2007.

G&W Australia will provide services to rail up to two (2) million tonnes of hematite annually between a new siding to be built between the existing Murdinga and Tooligee Sidings. The first hematite is expected to be railed in the fourth quarter of calendar year 2008.

G&W Australia is the owner and operator of the Eyre Peninsula Railroad. G&W Australia is headquartered in Adelaide and is a wholly owned subsidiary of G&W Incorporated (GWI). G&W Australia operates over 5,000 kilometres of track providing intrastate haulage of bulk commodities (including grain, gypsum, iron ore and other minerals) to key industries. It is also a major supplier of contract services, such as locomotives, wagons and crews to freight forwarders and infrastructure service providers operating on the interstate rail network.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 18 and forms part of the directors' report for the half year ended 31 December 2006.

Dated at Adelaide this 27th day of February 2007.

Signed in accordance with a resolution of the directors:



Mr David Lindh
Chairman



Mr Gerard Anderson
Managing Director

CENTREX METALS LTD
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Consolidated Interim Income Statement

For the six months ended 31 December 2006

	<i>Note</i>	31 December 2006 \$	31 December 2005 \$
Interest income		288,569	30
Exploration expenses written off		168	-
Office and administration expenses		94,733	45,936
Consultants and management expenses		26,629	179,935
Directors fees		90,378	71,775
Employee benefit expenses		265,644	1,883
Depreciation expense		9,961	1,179
Finance costs – loan interest		1,343	6,667
Other expenses from ordinary activities		<u>29,085</u>	<u>3,067</u>
Loss from continuing operations before related income tax expense		<u>229,372</u>	<u>310,412</u>
Income tax expense	7	<u>-</u>	<u>-</u>
Net loss attributable to members of the parent entity		<u>229,372</u>	<u>310,412</u>
Loss per share attributable to the ordinary equity holders of the company:		Cents per share	Cents per share
Basic loss per share from continuing operations in cents		<u>(0.2203)</u>	<u>(0.2114)</u>
Diluted loss per share from continuing operations in cents		<u>(0.2203)</u>	<u>(0.2114)</u>

The income statement is to be read in conjunction with the notes to the consolidated interim financial report.

CENTREX METALS LTD

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Consolidated Interim Statement of Recognised Income and Expense

For the six months ended 31 December 2006

	<i>Note</i>	31 December 2006	31 December 2005
Income and expense recognised directly in equity		-	-
Loss for the period		(229,372)	(310,412)
Total recognised income and (expense) for the period		<u>(229,372)</u>	<u>(310,412)</u>
Attributable to:			
Shareholders of the Company		(229,372)	(310,412)
Minority interest		-	-
Total recognised income and (expense) for the period		<u>(229,372)</u>	<u>(310,412)</u>

The statement of recognised income and expense is to be read in conjunction with the notes to the consolidated interim financial report.

CENTREX METALS LTD

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Consolidated Interim Balance Sheet

As at 31 December 2006

	<i>Note</i>	31 December 2006	30 June 2006
Current assets			
Cash and cash equivalents		9,373,033	17,775
Other receivables		276,027	33,437
Total current assets		<u>9,649,060</u>	<u>51,212</u>
Non-current assets			
Mining Tenements –at cost	8	1,914,999	532,404
Plant and equipment	9	84,869	19,515
Total non-current assets		<u>1,999,868</u>	<u>551,919</u>
Total assets		<u>11,648,928</u>	<u>603,131</u>
Current liabilities			
Trade and other payables		273,063	1,042,458
Loans and borrowings	11	-	288,112
Deferred tax liabilities		13,382	13,382
Total current liabilities		<u>286,445</u>	<u>1,343,952</u>
Total liabilities		<u>286,445</u>	<u>1,343,952</u>
Net assets/(liabilities)		<u>11,362,483</u>	<u>(740,821)</u>
Equity			
Issued capital		12,376,338	62,265
Share options issued		18,603	-
Accumulated losses		(1,032,458)	(803,086)
Total equity attributable to equity holders of the parent	10	<u>11,362,483</u>	<u>(740,821)</u>

The balance sheet is to be read in conjunction with the notes to the consolidated interim financial report.

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Consolidated Interim Statement of Cash Flows

For the six months ended 31 December 2006

	<i>Note</i>	31 December 2006	31 December 2005
		\$	\$
Cash flows from operating activities			
Cash receipts from customers		-	-
Cash paid to suppliers and employees		(984,205)	(410,295)
GST received		110,301	22,675
Interest paid		(14,729)	-
Net cash (used in) from operating activities		<u>(888,633)</u>	<u>(387,620)</u>
Cash flows from investing activities			
Expenditure on mining tenements		(1,356,649)	(153,122)
Interest received		209,127	30
Acquisition of plant and equipment	9	<u>(75,314)</u>	<u>(11,097)</u>
Net cash (used in) investing activities		<u>(1,222,836)</u>	<u>(164,189)</u>
Cash flows from financing activities			
Proceeds from the issue of share capital	10	12,532,086	491,167
Payment of issue of share capital costs	10	(777,247)	(17,453)
Funds received from Centrex Resources Limited		-	97,839
Repayment of borrowings	11	<u>(288,112)</u>	<u>-</u>
Net cash from (used in) financing activities		<u>11,466,727</u>	<u>571,553</u>
Net increase in cash and cash equivalents		9,355,258	19,744
Cash and cash equivalents at the beginning of the half year		17,775	27,191
Cash and cash equivalents at the end of the half year		<u>9,373,033</u>	<u>46,935</u>

The statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report.

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2006

1. Reporting entity

Centrex Metals Limited (the “Company”) is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2006 comprises the Company and its subsidiary (together referred to as the “consolidated entity”).

The consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006 is available upon request from the Company’s registered office at Level 3, 100 Pirie Street, Adelaide SA 5000 or at www.centrexmetals.com.au.

2. Statement of compliance

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the consolidated entity as at and for the year ended 30 June 2006.

This consolidated interim financial report was approved by the Board of Directors on 21 February 2006.

3. Significant accounting policies

The accounting policies applied by the consolidated entity in this consolidated financial report are the same as those applied by the consolidated entity in its consolidated financial report as at and for the year ended 30 June 2006.

The following standards and amendments were available for early adoption but have not been applied by the consolidated entity in these financial statements as not relevant to the consolidated entity:

- AASB 2005-10 *Amendments to Australian Accounting Standards* (September 2005) makes consequential amendments to AASB 132 *Financial Instruments: Disclosures and Presentation*, AASB 101 *Presentation of Financial Statements*, AASB 114 *Segment Reporting*, AASB 117 *Leases*, AASB 133 *Earnings per Share*, AASB 139 *Financial Instruments: Recognition and Measurement*, AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards*, AASB 4 *Insurance Contracts*, AASB 1023 *General Insurance Contracts* and AASB 1038 *Life Insurance Contracts*, arising from the release of AASB 7. AASB 2005-10 is applicable for annual reporting periods beginning on or after 1 January 2007.

The consolidated entity plans to adopt AASB 2005-10 in the 2008 financial year. The initial application is not expected to have a material impact on the financial results of the Company and the consolidated entity.

4. Estimates

The preparation of the interim financial report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the consolidated entity’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2006.

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Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2006

5. Financial risk management

The consolidated entity's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2006.

6. Segmental reporting

The Company operates in one business segment: iron ore exploration and one geographical segment: Australia.

7. Income tax expense

The consolidated entity's consolidated effective tax rate in respect of continuing operations for the six months ended 31 December 2006 was nil% (for the year ended 30 June 2006: nil%; for the six months ended 31 December 2005: nil%).

The benefit of the tax losses incurred to date has not been recognised as the probability criteria have not been met.

8. Mining Tenements

During the six months ended 31 December 2006 the consolidated entity incurred expenditure with a cost of \$1,382,595 (six months ended 31 December 2005: \$177,553) on the following 100% owned mining tenements:

Tenements	Cumulative Expenditure to 30 Jun 2006	Cumulative Expenditure to 31 Dec 2006	Expenditure 6 months to 31 Dec 2006
Greenpatch EL 3611 (formerly EL 2816)	177,750	185,305	7,555
Cockabidnie EL 3609 (formerly EL 2815)	8,290	35,016	26,726
Bungalow EL 3610 (formerly EL 2817)	47,599	53,212	5,613
Wilgerup EL 3317	108,504	1,326,130	1,217,626
Vanilla EL 3269	15,141	17,767	2,626
Dutton Bay EL 3421	2,882	14,710	11,828
Lock EL 3401	410	3,203	2,793
Gilles Downs EL 3375	2,000	37,544	35,544
Mount Hill EL 2905	62,398	64,517	2,119
Carrow EL 2887	52,188	56,642	4,454
Kimba Gap EL 3018	9,259	34,150	24,891
Whyalla EL 3125	9,477	30,865	21,388
Ironstone Hut EL 3048	9,129	16,658	7,529
Stony Hill EL 3287	27,377	39,280	11,903
Total Capitalised Exploration expenditure	532,404	1,914,999	1,382,595

The Mining tenement assets comprise exploration expenditure incurred since acquiring the licenses. The expenditure is capitalised on a tenement by tenement ("area of interest") basis.

Mining tenements are recorded at cost. The carrying amount is reviewed regularly by the Directors and is dependent upon the discovery and exploitation of commercially viable mineral deposits, the generation of sufficient income therefrom or sale of tenements for at least their book value. Depreciation will not be charged until production commences.

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Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2006

8. Mining Tenements (continued)

The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. The consolidated entity's tenements have still to be explored and therefore the recoverability of costs is not yet known. The consolidated entity will assess the assets for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying value amount exceeds the recoverable amount. For the purpose of impairment testing, the assets are allocated to cash-generating units.

The significant capital commitments on the tenements are detailed in the Directors Report.

9. Plant and equipment

During the six months ended 31 December 2006 the consolidated entity acquired assets with a cost of \$75,314 (six months ended 31 December 2005: \$11,097). There are no significant capital commitments at the 31 December 2006 or 30 June 2006.

10. Capital and reserves

Reconciliation of movements in equity

	31 Dec 2006	31 Dec 2005
	\$	\$
Share Capital at the beginning of the half year	62,265	2
Issued	12,532,086	491,167
Share issue costs (i) (ii)	(218,013)	(17,453)
Share Capital at the end of the half year	12,376,338	473,716
Share options valued on issue at the beginning of the half year	-	-
Share Options issued (iii)	18,603	-
Share options valued on issue at the end of the half year	18,603	-
Accumulated profit/(loss) at the beginning of the half year	(803,086)	(170,164)
Net profit/(loss) for the half year	(229,372)	(310,412)
Accumulated loss at the end of the half year	(1,032,458)	(480,576)
Total Equity	11,362,483	(6,860)

(i) On 17th July 2006 the company listed on the ASX and in the process raised \$8,152,086 from issuing 40,760,432 shares. The shares were quoted from 19 July 2006. The cost of this share issue in the period to 31 December 2006 amounted to \$25,293 (31 December 2005: \$17,453).

(ii) On 6th September 2006 the company raised \$4,380,000 when 21,900,000 shares were issued to Baotou Iron and Steel (Group) Company Limited ("Baotou") for \$0.20. The cost of this share issue in the period to 31 December 2006 amounted to \$192,720.

(iii) On 17th July 2006 the company listed on the ASX and as a result 500,000 2008 A Class options were issued to South Cove Ltd (see note 12 for further details) with a fair value of 3.72 cents per share.

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Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2006

11. Loans and borrowings

The following loans and borrowings (non-current and current) were repaid during the six months ended 31 December 2006:

	31 Dec 2006	30 Jun 2006
Current liabilities	\$	\$
Loan from Energy Exploration Ltd (formerly Centrex Resources Ltd)	-	288,112

Interest accrues on amounts owing to Centrex Resources Ltd at a rate of 5% per annum. The balance above includes \$nil (30 June 2006: \$13,386) in interest payable accrued in current period. Loan and accrued interest were repaid in full in the period to 31 December 2006.

12. Key management personnel disclosure

Transactions with key management personnel

Key management personnel receive compensation in the form of short-term employee benefits, post-employment benefits and share-based payments.

On 21 March 2006 Mr Gerard Anderson signed a three year service agreement, as part of this agreement Mr Anderson is entitled to receive 1,000,000 2008 A Class Options per service year (the anniversary being 23 January) and is also entitled to a bonus subject to key performance indicators as set by the Board of Directors. On the 23 January 2007, Mr Gerard Anderson became entitled to receive 1 million 2008 A Class Options, however the Options have yet to be issued and therefore a fair value has not been determined therefore no expense has been recorded in the period ending 31 December 2006. Further, no bonus accrual has been made as the bonus criteria has not yet been finalised.

Other related party transactions

	Transaction value		Balance payable	
	Six months ended		at	
Related party and transaction	31 Dec	2005	31 Dec	30 Jun
	2006	2005	2006	2006
	\$	\$	\$	\$
Mr David Lindh:				
Rundle Capital Partners Limited's corporate advisory services relating to the listing process (i)	-	16,000	-	15,400
Adelaide Equity Partners Limited's corporate advisory services (ii)	22,000	-	4,000	44,000
Adelaide Equity Partners Limited's reimbursed expenses (iii)	66,319	-	3,755	8,766
Rundle Capital Partners Limited's reimbursed expenses (iv)	-	-	-	4,586
Minter Ellison's legal services relating to the listing process and other legal matters (v)	27,393	17,608	-	86,073
Mr Graham Chrisp*:				
-Management Fees (vi)	-	150,000	-	175,000
-Softwood Plantations Pty Ltd reimbursed expenses (vii)	1,332	304,457	-	4,243
Mr David Lindh, Mr Norton Jackson & Mr Graham Chrisp*: Centrex Resources Limited loan & interest (viii)	1,343	6,667	-	288,112

*resigned as a director on 27 April 2006

Condensed Notes to the Consolidated Interim Financial Report

For the six months ended 31 December 2006

12. Key management personnel disclosure (continued)

- (i) Transaction with Rundle Capital Partners Ltd, of which Mr Lindh was a Director, for corporate advisory services relating to the listing process.
- (ii) Transaction with Adelaide Equity Partners Ltd, of which Mr Lindh is a Director, for corporate advisory services.
- (iii) Transaction with Adelaide Equity Partners Ltd, of which Mr Lindh is a Director, for reimbursement of general office expenditure on behalf of consolidated entity.
- (iv) Transaction with Rundle Capital Partners Ltd, of which Mr Lindh was a Director, for reimbursement of general office expenditure on behalf of consolidated entity.
- (v) Transaction with Minter Ellison, of which Mr Lindh is a consultant, for legal services relating to the listing process.
- (vi) Transaction with Farmtell Management Services Pty Ltd, of which Mr Chrisp is a Director, for management of consolidated entity.
- (vii) Transaction with Softwood Plantations Pty Ltd and its controlled entities of which Mr Chrisp is a Director, for reimbursement of general office expenditure on behalf of consolidated entity.
- (viii) Transaction with Centrex Resources Ltd of which Mr Chrisp, Mr N Jackson and Mr David Lindh are Directors, for interest on a loan to the consolidated entity.

Options issued to related parties since the 1 July 2006

The following 2008 A Class Options were issued on 17 July 2006:

	No.
South Cove Ltd (i)	500,000
Adelaide Equity Partners Ltd (ii)	1,000,000

- (i) On Listing on the ASX, South Cove Ltd was issued 500,000 2008 A Class Options with a Black Scholes value of \$18,603. In accordance with the prospectus and an agreement between Centrex Metals Limited and Farmtell Management Services Pty Ltd (a company associated with Mr Graham Chrisp, a former director) certain Options would be granted if certain performance-based criteria were met. This agreement was terminated on 23 January 2006 on terms that obliged Centrex Metals Limited to grant 500,000 2008 A Class Options to Softwood Plantations Pty Ltd (a company associated with Mr Chrisp) subject to Centrex Metals Limited listing on the ASX. The Options were issued to South Cove Ltd as nominee and pursuant to instructions from Softwoods Plantation Pty Ltd.
- (ii) On Listing on the ASX, Adelaide Equity Partners Ltd was issued 1,000,000 2008 A Class Options as part of its success fee.

Arrangements with related parties continue to be in place. For further details on these arrangements, refer to the 30 June 2006 Annual Financial Report.

13. Subsequent events

There are no subsequent events other than those described in the Directors' Report that require disclosure.

CENTREX METALS LTD

A.B.N. 97 096 298 752

Directors' declaration

In the opinion of the directors of Centrex Metals Limited ("the Company"):

1. the financial statements and notes set out on pages 6 to 14, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2006 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Dated at Adelaide this 27th day of February 2007.

Signed in accordance with a resolution of the directors:



Mr David Lindh

Chairman



Mr Gerard Anderson

Managing Director