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ASX RELEASE

Monday 23rd October 2006

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

Dear Sir/Madam

First Quarter Activities Report

THREE MONTHS TO 30TH SEPTEMBER 2006

The following activities have been conducted by or on behalf of the Company:

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.

2.1). EL 3317 Wilgerup Area - Extension Drilling of Wilgerup North Hematite Pod

Drilling commenced at Wilgerup on 6th September 2006. By the end of the reporting period, twenty six (26) RC holes for 2,510 drill metres had been completed. The drilling

targeted delineation and extension of the North Hematite Pod and is a small part of a wider program (nominally 14,000m program) designed to test two known hematite occurrences, the North and South Pods, and several gravity/magnetic targets that may reflect the presence of hematite mineralization.

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 commenced on the North Hematite Pod with infill and strike extension drilling completed on 5 lines providing a maximum 160m x 40m coverage over a strike length of 560m.

Hematite was intersected from immediately below the sand cover to down hole depths of at least 132 metres (vertical depth 114m). Holes WP06RC001 to WP06RC007 were drilled at -60 degrees on a bearing of 270 degrees. Holes from WP06RC008 were drilled at the vertical to reduce problems with hole stability caused primarily by mixed wet clay and hematite binding the drill rods.

Significant intersections included the following;

WP06RC004 22m @ 61.6% Fe; 3.32% SiO₂; 1.63% Al₂O₃; 3.17% LOI; 0.52% P
from 30m

WP06RC006 46m @ 57.5% Fe; 4.45% SiO₂; 2.97% Al₂O₃; 4.03% LOI; 0.68% P
from 86m

including 20m @ 60.1% Fe; 3.10% SiO₂; 1.82% Al₂O₃; 3.05% LOI; 0.67% P
from 86m

and 12m @ 56.9% Fe; 4.59% SiO₂; 3.19% Al₂O₃; 4.55% LOI; 0.73% P
from 120m

WP06RC007 30m @ 58.6% Fe; 3.39% SiO₂; 1.63% Al₂O₃; 4.12% LOI; 1.14% P
from 36m

WP06RC008* 8m @ 60.7% Fe; 3.59% SiO₂; 1.70% Al₂O₃; 5.14% LOI; 0.08% P
from 52-60 metres

* Assays pending for drill hole WP06RC005 and for drill hole WP06RC008 from 60 metres.

Samples will be collected for mineralogical assessment and possible bench scale beneficiation test work.

Results of New 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.

Priority Drilling Targets

A strong north trending, elongate gravity anomaly was identified 700 metres south of the North Hematite Pod extending from 6266400N to 6263300N, a distance of 3kms. The northern 1.8kms has had no previous drilling and will be drill tested on widely spaced lines.

Drilling will also be conducted on several gravity anomalies especially around the South Hematite Pod which is known to carry high grade, low impurity hematite.

Drilling will then test the strike extension of the previously discovered low phosphorus South Pod hematite. Previous drill hole SJPC128 included an intercept of 6 m at 64.8% Fe and 0.028 % P. The same hole terminated at 96 m depth in high grade hematite grading 66.5% Fe and 0.079% P.

The 14,000m drill program is expected to be completed in December 2006.

2.2) 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

For the above tenements Notices of Entry were initiated and landholders notified of an impending low level aeromagnetic survey.

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 finalized based on further interpretation of the detailed aeromagnetic data. Prior to drilling proceeding it will be necessary to amend and/or renegotiate the existing Native Title Mining Agreement for Exploration with the Barnagarla Native Title Claimants.

3. DEVELOPMENT ACTIVITIES

No development activities were conducted on any of the Company's tenements during the quarter.

4. PRODUCTION ACTIVITIES

No production was recorded for any of the Company's tenements during the quarter.

5. CAPITAL

The Company had 194,343,701 shares, 52,803,056 2008 options and 9,971,987 2006 options on issue at 30 June 2006.

6. FINANCIAL

6.1 Reconciliation of Expenditure

This is the first quarterly report for Centrex Metals Limited.

6.2 Cash at 30 June 2006

Cash at 30 June 2006 was \$10,671,000.

Attached is the Appendix 5B Statement of Cashflows for the period from 1st July 2006 to 30th September 2006.

For further information, please contact Gerard Anderson at Centrex Metals Limited on (08) 8232 0400.



Gerard Anderson
Managing Director
Centrex Metals Limited

The information in this report relating to Exploration Results is based on information compiled by Mr Chris Gaughan who is a Member of the Australian Institute of Geoscientists. Mr Gaughan is Principal Geologist with Centrex Metals Limited. Mr Gaughan has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Gaughan consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

CENTREX METALS LIMITED

ABN

97 096 298 752

Quarter ended ("current quarter")

30 SEPTEMBER 2006

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(182)	(182)
(b) development		
(c) production	-	-
(d) administration	(672)	(672)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	97	97
1.5 Interest and other costs of finance paid	(15)	(15)
1.6 Income taxes paid		
1.7 Other (provide details if material)	24	24
Net Operating Cash Flows	(748)	(748)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(74)	(74)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
Net investing cash flows	(74)	(74)
1.13 Total operating and investing cash flows (carried forward)	(822)	(822)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(822)	(822)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	12,532	12,532
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(288)	(288)
1.18	Dividends paid		
1.19	Other (provide details if material) –IPO costs	(769)	(769)
	Net financing cash flows	11,475	11,475
	Net increase (decrease) in cash held	10,653	10,653
1.20	Cash at beginning of quarter/year to date	18	18
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10,671	10,671

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	319
1.24	Aggregate amount of loans to the parties included in item 1.10	
1.25	Explanation necessary for an understanding of the transactions Directors' fees and salaries paid during the quarter.	

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,602
4.2 Development	-
Total	1,602

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	717	18
5.2 Deposits at call	9,953	
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	10,670	18

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	216,243,701	95,650,172		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Issued on 6/9/06 21,900,000	Issued on 6/9/06 21,900,000 Quoted on 19/7/06 73,750,172		
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2006 Options 9,971,987 2008 Options 56,303,056	2006 Options Nil 2008 Options 15,778,768	<i>Exercise price</i> \$1.05 \$0.20	<i>Expiry date</i> 31/12/2006 31/12/2008
7.8 Issued during quarter	2006 Options 9,971,987 2008 Options 3,500,000 issued on 17/7/06	2006 Options Nil 2008 Options 15,778,768 quoted on 19/7/06	<i>Exercise price</i> \$1.05 \$0.20	<i>Expiry date</i> 31/12/2006 31/12/2008
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

Compliance statement

1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).

2 This statement does give a true and fair view of the matters disclosed.

Sign here:  Date: 27 October 2006
(Director)

Print name: Mr Gerard Anderson

Notes

1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

3 **Issued and quoted securities**
The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

5 **Accounting Standards**
ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.