



**AUSTRALIAN SECURITIES EXCHANGE RELEASE**

**30th October 2008**

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

Dear Sir/Madam

**Fourth Quarter Activities Report**

**THREE MONTHS TO 30<sup>th</sup> September 2008**

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

**1.0 EXPLORATION ACTIVITIES**

Exploration activities for the quarter focused on the Wilgerup and Bungalow projects.

**1.1. EL 3317 Wilgerup**

The North Hematite Pod resource definition drilling at Wilgerup has been completed. The Wilgerup site office equipment and field supplies have been relocated to the Bungalow Magnetite Project.

**1.1.1 EL 3317 Wilgerup Geotechnical and Hydrological Studies**

Geotechnical drilling consisting of HQ3 diamond coring was completed on the 23rd July 2008. Drilling during the quarter amounted to 438.4 metres in 2.5 holes. The geotechnical drilling targeted the eastern hanging wall of the North Hematite Pod. All holes intersected hematite mineralisation. Quarter core samples have been dispatched for assay. The results will be used to refine the geological model and identify metallurgical samples.

Geotechnical consultants, Peter O'Brien and Associates, completed the geotechnical logging of drill holes WD6, WD8, WD11 and WD12. Their report is due in late October.

Sinclair Knight Merz completed a desktop study of potential backup water sources for Wilgerup. In anticipation of further water bore drilling a total of 8 water bore permits have been received from the Department of Water, Land, Diversity and Conservation.

**1.1.2 EL 3317 Wilgerup General.**

Analytical results for the final outstanding reverse circulation drill holes were received. The results support the robustness of the geological model including the thick intersection of massive hematite from drill hole W6R219 which intersected 42m at 60.37 % Fe.

A summary of the more significant intercepts is tabulated below.

DrillHole ID	Depth From	Depth To	Interval (m)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	P (%)
W6R216	91	104	13	56.38	6.31	1.93	0.129
W6R219	90	132	42	60.37	2.50	1.59	0.874
W6R226	24	30	6	62.52	2.92	2.19	0.338

## **1.2 EL 3610 Bungalow/Minbrie Magnetite Deposit**

The Bungalow Magnetite Project is located approximately 9kms NNW of Cowell on the Eyre Peninsula. Since commencing a Concept Study for the project in February 2008, a number of key milestones have been met in order to aid in the establishment of key physical, environmental and economic factors to assess the viability of the project including:

- Golder Associates completed an Environmental Scoping Study for the project. No major environmental concerns were identified.
- Resource definition diamond drilling commenced in August. 2,357.4m of drilling was completed for the quarter. Due to delays from the assaying laboratory, no assay results had been received to the end of the period.

## **1.3 Tenement Management**

The annual technical reports for all of Centrex's tenements were submitted to PIRSA during the quarter.

Applications for renewal of EL 3401 Lock, EL 3609 Cockabidnie, EL 3968 Kimba Gap, EL 3269 Wanilla and the Northern and Southern Amalgamated Expenditure Agreements were submitted to PIRSA during the quarter.

Six-Monthly Summary Reports for EL 3401 Lock, EL 3610 Minbrie, EL 3611 Greenpatch, EL 3877 Mount Hill, EL 3609 Cockabidnie and EL 3375 Gilles Downs were submitted to PIRSA.

A new Exploration Licence (EL 4185) has been received for Ironstone Hill for a period of 1 year.

## **1.4 General**

The main focus during September involved the planning and target generation phase for the upcoming exploration program for EL 3877 Carrow, EL 3877 Mount Hill, EL 3609 Cockabidnie and EL 3269 Wanilla (Charleton Gully).

Diamond drilling of 3 holes has been planned for EL 3877 Carrow in January 2009. The drilling has been designed to provide metallurgical samples and to update the Inferred Resource. An Exploration Work Approval was submitted to PIRSA for approval.

Bell Geospace has been contracted to undertake an airborne gravity survey over EL 3877 Mount Hill, EL 3609 Cockabidnie and EL 3269 Wanilla in December 08. These tenements are highly prospective for both hematite and magnetite. The airborne gravity will be followed by reverse circulation drilling planned for March 2009. A Notification of an Airborne Survey on a Mineral Exploration Licence has been submitted to PIRSA and land title information has been sourced for the proposed fly-over zones. A local geophysicist has been contracted to format the resultant gravity data and Notice of Entries to the relevant landowners will be distributed in October. Field mapping is expected to commence in early November.

Dr Phil Schmidt from CSIRO Exploration and Mining, met with Centrex with regard to a study on the magnetic properties of the BIF's on the Eyre Peninsula. The magnetite BIF's have been strongly metamorphosed with associated mobilisation and recrystallisation of the magnetite. The study should improve Centrex's understanding of the magnetic properties with the expected outcome of being able to better target exploration.

## 2.0 DEVELOPMENT ACTIVITIES

### *Mining Lease Proposal*

Sinclair Knight Merz (“SKM”) completed the Mining Lease Proposal (“MLP”) for the Wilgerup project. The MLP was submitted to PIRSA on 29<sup>th</sup> September 2008. The submission of the MLP starts a minimum 25 week statutory approval process. Requests to Centrex for additional details or delays in responses from external parties will result in extensions to the approval timeline. Centrex also anticipate that Christmas and New Year holiday periods may potentially further delay the approval process. We anticipate that approval should be received in April 2009.

The revised MLP includes operation of the Wilgerup project, truck transport of product to a dedicated rail siding near Tooligie on the Central Eyre Peninsula, rail ore products to Brennen Jetty at Port Lincoln and direct loading into Panamax class vessels from a dedicated conveyor and ship loading infrastructure.

Work completed during the quarter included:

- MLP / MARP process was completed and the MLP submitted to IRSA on 29<sup>th</sup> September.
- Continuation of the community engagement and consultation process.
- Government stakeholder engagement continued.
- Hydrological investigation report, including pump test data evaluation was completed. Initial results indicate an additional water source may be required due to the range of water volumes provided. A desktop search of potential sources identified two (2) alternative sites. These sites will only have further testing completed once more accurate information is available on the current proposed dewatering bore sites.
- Geotechnical assessment of additional diamond drill core commenced. Peter O’Brien & Associates were contracted to complete the core logging and evaluation with additional results due in October.
- A revised geological model was received in September. The revised model will be used to re-run the pit optimization and allow revised production schedules to be generated. Once completed, the cost model shall be updated and revised budget costs completed.

Sinclair Knight Merz was awarded the contract to complete a Development Application for approval to export of product from the Wilgerup mine via Brennen Jetty in Port Lincoln. A detailed feasibility report will be prepared and submitted in the December quarter to the Development Application Committee (“DAC”) for approval to export from Brennen’s Jetty in Port Lincoln. The Port Lincoln City Council will be consulted on the application.

The development application for Proper Bay was completed during the quarter but will be held in abeyance pending an outcome to the Brennen Jetty DA. Should the DAC not approve the request for access to Brennen Jetty, a fallback position will still exist at Proper Bay.

Flinders Ports and Genessee and Wyoming (Australia) Pty Ltd (GWA) remain fully supportive of the proposal. ABB Grain Limited (ABB) require an engineering feasibility study to be completed before committing to the proposal, and we continue to work closely with representatives of ABB throughout the process. Centrex remain very positive of the outcome.

### *Wilgerup Site – Kamballa station*

Negotiations for the purchase of Kamballa station, encompassing the Wilgerup hematite deposit were finalised during the quarter with documentation completed and signed in September. Transfer of title is scheduled to take effect in December, to coincide with completion of the harvest period.

### *Alternative port site*

Agreement was reached on the commercial terms for the purchase of 106 hectares of coastal land identified following the bathometric survey completed in the June quarter. The selected site delivers 18 metres of water at low tide at a distance of 450 metres from the coast. The land is presently leasehold, with the freehold process commence earlier this year by the current leaseholder. Upon the change to freehold title, the transfer of land contract is activated and the title transferred to Centrex Metals Limited.

Golder Associates were awarded the contract to complete the environmental clearance and approvals process and complete the Development Application for the site. The Development Application is scheduled to be completed in Q2 2009.

### **3.0 PRODUCTION ACTIVITIES**

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

### **4.0 CAPITAL**

The Company had 261,659,242 shares and 55,383,694 2008 A Class Options on issue at 30 September 2008.

During the quarter members exercised the following options:

- 50,000 on 18 July 2008;
- 20,000 on 18 August 2008; and
- 25,000 on 2 September 2008.

### **5.0 FINANCIAL**

#### **5.1 Reconciliation of Expenditure**

This is the first quarterly report for Centrex Metals Limited for the year ended 30 June 2009. In the previous quarterly report the estimated exploration and evaluation cash outflows for the current quarter was \$976,000. The actual exploration and evaluation cash outflow amounted to \$2,030,000; the difference being primarily due to additional feasibility study costs and contract drilling costs.

#### **5.2 Cash at end of Quarters**

Cash at 30 September 2008 was \$15,647,001.

Attached is the Appendix 5B Statement of Cashflows for the period from 1<sup>st</sup> July 2008 to 30th September 2008.

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



Gerard Anderson  
Managing Director  
Centrex Metals Limited  
Gerard Anderson  
Managing Director  
Centrex Metals Limited

*The information in this report relating to Exploration Results is based on information compiled by Mr Gerard Anderson who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Anderson is a geologist and Managing Director of Centrex Metals Limited. Mr Anderson has sufficient experience, which is relevant to the style of mineralisation 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 Anderson 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 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(2,030) - - (428)	(2,030) - - (428)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	469	469
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) refund	-	-
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,989)</b>	<b>(1,989)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchase of: (a)prospects (b)equity investments (c) other fixed assets	- - (1,269)	- - (1,269)
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)	-	-
<b>Net investing cash flows</b>	<b>(1,269)</b>	<b>(1,269)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(3,258)</b>	<b>(3,258)</b>

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(3,258)	(3,258)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	20	20
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid		
1.19	Other (provide details if material) –IPO costs	-	-
	<b>Net financing cash flows</b>	20	20
	<b>Net increase (decrease) in cash held</b>	(3,238)	(3,238)
1.20	Cash at beginning of quarter/year to date	18,885	18,885
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	15,647	15,647

**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	320
1.24	Aggregate amount of loans to the parties included in item 1.10	

1.25 Explanation necessary for an understanding of the transactions

Transactions included in the value disclosed at item 1.23 include (\$A'000):

Director's fees (including superannuation).	\$200
Adelaide Equity Partners (corporate advice, office rental, administration services)	\$109
Minter Ellison (legal advice)	\$ 11

**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	761
4.2 Development	-
<b>Total</b>	<b>761</b>

### 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	1,111	1,535
5.2 Deposits at call	14,536	17,350
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>15,647</b>	<b>18,885</b>

### 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			

+ See chapter 19 for defined terms.

### 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.*

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 <b>Preference +securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	261,659,242	261,659,242		
7.4 Changes during quarter (a) Increases through issues  (b) Decreases through returns of capital, buy-backs  (c) End of restriction period	95,000 Exercised options  Nil	95,000 Exercised options  Nil  117,860,195	\$0.20	\$0.20
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	2008 Options 55,383,694	2008 Options 55,383,694	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 31/12/2008
7.8 Issued during quarter				
7.9 Exercised during quarter	2008 Options 95,000	2008 Options 95,000	\$0.20	\$0.20
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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: 30th October 2008  
(Company Secretary)

Print name: Mr Gavin Bosch

## 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.