



**CENTREX METALS**  
LIMITED

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## **AUSTRALIAN STOCK EXCHANGE RELEASE**

**Monday 30<sup>th</sup> June 2007**

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

Dear Sir/Madam

### **Fourth Quarter Activities Report**

**THREE MONTHS TO 30<sup>th</sup> JUNE 2007**

#### **Highlights:**

- **Bungalow/Minbrie Magnetite deposit - Satmagan and XRF assay results have confirmed the interpretation of a broad magnetite zone of approximately 80m true width. Individual down hole intercepts of up to 200m indicate that the mineralisation is open at depth.**
- **Bungalow/Minbrie Magnetite deposit – Memorandums of Understanding with Major Chinese Shareholders.**
- **Wilgerup Metallurgical results indicating massive hematite Lump content of 29.1% (as shipped).**
- **Commencement of Infill Resource Drilling at Wilgerup.**
- **Heads of Agreement covering sale of 10mt of hematite from the Wilgerup hematite deposit.**

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

#### **1.0 EXPLORATION ACTIVITIES**

Most activities for the Company during the reporting period related to exploration drilling and metallurgical test work on EL 3610 Bungalow/Minbrie and EL 3317 Wilgerup area.

##### **1.1) EL 3610 Bungalow/Minbrie**

Two (2) NQ diamond drill holes were completed in April for a total of 367.70m. BUDD08 was drilled to a total depth of 241.7m whilst BUDD10 finished at 309.3m. This finished the four (4) hole program.

The holes were drilled at the southern end of an 18km long intense magnetic anomaly to test for thickening of the magnetite BIF units. Holes BUDD07, BUDD08 and BUDD10 intersected wide intervals of highly magnetic banded iron formation.

Detailed lithological and structural logging of the core samples was undertaken during the period. The subsequent interpretation of the mineralisation was of a dominantly quartz magnetite BIF with intermittent zones of massive magnetite (<2m). Non mineralized material, within the magnetite zone include a central core of schist (<12m) and intercalated granite fingers (0.1 - 5m) and amphibolite (0.5 - 5m).

### 1.1.1) Diamond Drilling Satmagan and XRF results

The table below summarises the undiluted (>10% magnetite) results of Satmagan testing and XRF analysis of the main elements. The true width of the magnetite zone, including dilution is approximately 80m and is open at depth, extending beneath the tertiary cover from 70m to + 200m.

DrillHole	From	To	Interval (m) >10% Magnetite	Magnetite %	Total Fe %	P %	SiO2 %	Al2O3 %
BUDD007	99.7	200.6	60.4	31.3	30.6	0.050	47.8	3.1
BUDD008	116	229	64.75	31.9	29.4	0.045	50.6	2.9
BUDD010	90	290.7	155.35	33.1	30.3	0.045	50.0	2.4

The table below summarises the main magnetite intercepts.

DrillHole	From	To	Interval (m) >10% Magnetite	Magnetite %	Total Fe %	P %	SiO2 %	Al2O3 %
BUDD007	99.7	114	14.3	28.9	29.5	0.052	51.9	1.8
BUDD007	160	178	18.4	32.4	28.6	0.039	52.3	2.3
BUDD007	186	194.2	8.7	33.9	33.7	0.055	41.4	3.9

BUDD008	124	132.6	9	35.9	31.7	0.039	50.3	1.0
BUDD008	172	181.5	10	31.7	27.3	0.038	54.2	2.8
BUDD008	184	197	13	33.6	31.2	0.045	48.6	2.2
BUDD008	209	221.3	12.8	32.6	33.0	0.053	43.8	4.2

BUDD010	90	126.1	42.6	27.6	27.6	0.051	47.8	3.7
BUDD010	164	195	30.7	31.6	30.2	0.052	50.0	2.5
BUDD010	203	227.2	24.5	35.8	29.1	0.044	52.7	2.1
BUDD010	258	266	8.2	29.3	27.7	0.044	52.9	2.7
BUDD010	268	284.5	16.8	34.9	32.0	0.043	50.2	0.7

These Satmagan results will now be used to refine the sample intervals for Davis Tube Recovery test work. Satmagan is a fast and reliable method for measuring the magnetic material content of a sample.

The Bungalow magnetite deposit has been independently assessed as having an exploration potential of >250 million tonnes of magnetite BIF to a vertical depth of 200 metres (Centrex Metals Prospectus p 50). Previous diamond drilling returned an average intercept grade (at a cut off grade of 20% DTS) of 38.02% DTS @67.66% Fe and 5.37% SiO<sub>2</sub>. The recent drilling supports this assessment of tonnage potential.

### 1.1.2) Memoranda of Understanding signed with Major Chinese shareholders

On the 30<sup>th</sup> May 2007 the Directors of Centrex Metals Limited announced that the Company had signed Memoranda of Understanding with both Shenyang Orient Iron & Steel Co., Ltd (“Shenyang”) and Baotou Iron & Steel (Group) Co., Ltd (“Baotou”) covering the Bungalow/Minbrie magnetite deposit.

*A subsequent announcement on the 11<sup>th</sup> July 2007 outlined the commencement of a due diligence study by representatives of Baotou Iron & Steel (Group) Co., Ltd.*

### 1.2) Wilgerup Ore Characterisation Test Work

Four HQ3 diamond drillholes were drilled in February/March 2007 to provide samples for ore characterisation test work and in the case of the hematite clay and hematite carbonate, to provide samples for beneficiation tests. A number of samples were taken as follows - 6 x composites of massive hematite; 3 x composites of hematite clay and 3 composites of hematite carbonate.

The subsequent crushing and screening results are tabulated below and indicate that all three ore types will return lump products. This is encouraging with the massive hematite returning an average lump content of 29.1%. Previous evaluations by Centrex have been conservative in estimating zero lump. The 29.1% lump content based on 2007 prices, will increase the average deposit per tonne revenue by approximately AUD\$6/t.

Pre - Drop Test				
Sample ID	+6.3mm fraction (kg)	-6.3mm fraction (kg)	Total Weight	Lump %
WDDH 1 HEO 73 - 81.1m	14.21	41.05	55.26	<b>25.71</b>
WDDH 1 HEO 108 - 117m	37.17	20.14	57.31	<b>64.86</b>
WDDH 1 HEO 119 - 125.1m	11.09	11.66	22.75	<b>48.75</b>
WDDH 2 HEO 139 - 147.2m	15.29	27.55	42.84	<b>35.69</b>
WDDH 3 HEO 105 - 111.4m	14.13	20.34	34.47	<b>40.99</b>
WDDH 3 HEO 127.7 - 137m	17.30	31.15	48.45	<b>35.71</b>
WDDH 1 HCLY 83 - 89.1m	26.66	16.35	43.01	<b>61.99</b>
WDDH 2 HCLY 122.2 - 129m	21.92	16.56	38.48	<b>56.96</b>
WDDH 3 HCLY 66 - 74m	20.59	19.76	40.35	<b>51.03</b>
WDDH 2 HCARB 147.2 - 153m	16.90	10.17	27.07	<b>62.43</b>
WDDH 2 HCARB 154 - 161m	10.38	8.68	19.06	<b>54.46</b>
WDDH 3 HCARB 78 - 86m	25.35	20.77	46.12	<b>54.97</b>

<b>Post - Drop Test</b>				
<b>Sample ID</b>	<b>+6.3mm fraction (kg)</b>	<b>-6.3mm fraction (kg)</b>	<b>Total Weight</b>	<b>Lump %</b>
WDDH 1 HEO 73 - 81.1m	9.13	46.07	55.20	<b>16.54</b>
WDDH 1 HEO 108 - 117m	25.72	31.37	57.09	<b>45.05</b>
WDDH 1 HEO 119 - 125.1m	6.24	16.46	22.70	<b>27.49</b>
WDDH 2 HEO 139 - 147.2m	10.13	32.64	42.77	<b>23.68</b>
WDDH 3 HEO 105 - 111.4m	11.13	23.32	34.45	<b>32.31</b>
WDDH 3 HEO 127.7 - 137m	13.46	34.94	48.40	<b>27.81</b>
WDDH 1 HCLY 83 - 89.1m	15.30	27.61	42.91	<b>35.66</b>
WDDH 2 HCLY 122.2 - 129m	12.16	26.28	38.44	<b>31.63</b>
WDDH 3 HCLY 66 - 74m	9.63	30.69	40.32	<b>23.88</b>
WDDH 2 HCARB 147.2 - 153m	14.25	12.81	27.06	<b>52.66</b>
WDDH 2 HCARB 154 - 161m	9.05	10.00	19.05	<b>47.51</b>
WDDH 3 HCARB 78 - 86m	13.90	32.20	46.10	<b>30.15</b>

Amdel are continuing the Ore Characterisation test work with results due next quarter.

### **1.3) Wilgerup Infill Resource Drilling**

Infill reverse circulation resource definition drilling commenced on the 25<sup>th</sup> June 2007 for a total of 7 holes at 556m for the quarter.

Drilling will be undertaken in two phases. Phase 1 consisting of approximately 6,000m will be directed at infilling the North Pod hematite resource to an approximate 40m by 20m drill coverage. Phase 2 will involve the drilling of 10 residual gravity anomaly geophysical targets in the immediate North Pod area.

The North Pod resource definition drilling should be completed by the end of August 2007. The geophysical target drilling is expected to continue through September and if successful in delineating further hematite resources, will be extended to support resource estimation.

### **1.4) Wilgerup Heads of Agreement covering sale of 10mt of hematite from the deposit**

Centrex Metals Limited ("Centrex") announced on 30<sup>th</sup> May 2007 that it has signed binding Heads of Agreement with both Shenyang Orient Iron & Steel Co., Ltd ("Shenyang") and Baotou Iron & Steel (Group) Co., Ltd ("Baotou") with respect to supply of hematite from the Companies Wilgerup iron ore deposit.

Under each Heads of Agreement, Shenyang and Baotou have committed to purchasing 1 million tonnes of hematite ore per year for a period of 5 years with the price agreed as the long-term international benchmark price. Each Heads of Agreement includes the provision to increase the period of the agreement subject to the delineation of further reserves of hematite.

## **1.5) Wilgerup Reserve Statement**

Work has commenced during the quarter on preparing a Reserve statement for the Wilgerup Resource. The final report including a mine design and mining schedule is due for completion during the next quarter.

## **1.6) 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 3421 Dutton Bay Area**

A UTS geophysical survey over the West Middleback, Cockabidnie and Dutton Bay tenements was completed on February 25, 2007 for a total of 8,394 line kms. This data was processed in May 2007 by Cowan Geophysics and merged with existing Stony Hill data to give a total combined and leveled image over the Western Middleback tenements. This data will improve the geophysical interpretation and subsequent target generation within these tenements.

## **2. DEVELOPMENT ACTIVITIES**

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

## **3. PRODUCTION ACTIVITIES**

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

## **4. CAPITAL**

The Company had 216,243,701 shares and 57,303,056 2008 A Class Options on issue at 30 June 2007. On the 22 March 2007 1,000,000 2008 A Class Options were issued to Mr Gerard Anderson in accordance with his employment contract and the 2007 Annual Report, the options are restricted and escrowed for a period of 24 months from the Company's listing date.

## **5. FINANCIAL**

### **5.1 Reconciliation of Expenditure**

This is the fourth quarterly report for Centrex Metals Limited for the year ended 30 June 2007. In the third quarterly report the estimated exploration and evaluation cash outflows for the next quarter amounted to \$688,000. The actual exploration and evaluation cash outflow amounted to \$606,000; the decrease primarily due to a later than expected start to the reverse circulation drill program at Wilgerup.

### **5.2 Cash at 31 March 2007**

Cash at 30 June 2007 was \$7,908,336.

Attached is the Appendix 5B Statement of Cashflows for the period from 1<sup>st</sup> January 2007 to 31<sup>st</sup> March 2007.

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



*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 Metallurg. Mr Anderson is a geologist and Managing Director of Centrex Metals Limited. Mr Anderson 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 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 JUNE 2007

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 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	(606)	(2,660)
(b) development		
(c) production	-	-
(d) administration	(409)	(1,690)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	113	489
1.5 Interest and other costs of finance paid	-	(15)
1.6 Income taxes paid		
1.7 Other (provide details if material) –GST received	150	376
<b>Net Operating Cash Flows</b>	<b>(752)</b>	<b>(3,500)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	-	(76)
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>-</b>	<b>(76)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(752)</b>	<b>(3,576)</b>

1.13	Total operating and investing cash flows (brought forward)	(752)	(3,576)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	12,532
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	(288)
1.18	Dividends paid		
1.19	Other (provide details if material) –IPO costs	-	(778)
	<b>Net financing cash flows</b>	-	11,466
	<b>Net increase (decrease) in cash held</b>	(752)	7,890
1.20	Cash at beginning of quarter/year to date	8,660	18
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	7,908	7,908

**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	206
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 amounting to \$153,000 and consultancy fees paid to director associated entities amounting to \$53,000.
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**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

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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

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### 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	358
4.2 Development	-
<b>Total</b>	<b>358</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	1,110	619
5.2 Deposits at call	7,550	8,754
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>8,660</b>	<b>9,373</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		

### 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>	216,243,701	97,708,506		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
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 57,303,056	2008 Options 15,903,768	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 31/12/2006  31/12/2008
7.8 Issued during quarter	2008 Options 1,000,000	2008 Options nil	<i>Exercise price</i> \$0.20	<i>Expiry date</i> 31/12/2008
7.9 Exercised during quarter				
7.10 Expired during quarter	Nil			
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <i>(totals only)</i>				

## 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:   
.....  
(Director)

Date: 26 July 2007

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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