



## AUSTRALIAN SECURITIES EXCHANGE RELEASE

**30th July 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> June 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, Stony Hill and Bungalow projects.

#### **1.1. EL 3317 Wilgerup**

##### **1.1.1 Infill Resource Drilling**

Underdale Drillers commenced drilling at Wilgerup on the 9th May 2008 through to the 29<sup>th</sup> June 2008. Nineteen (19) holes for a total of 1,680 metres were drilled for the quarter. The holes were predominantly infill and step out drilling of the North Hematite Pod.

Infill drilling during the quarter targeted the eastern extent of the ore body and areas previously classified as Inferred in order to upgrade the Resource classification to Indicated.

The new Resource model for the Wilgerup North Pod is discussed below at point 1.1.2. Re-modeling has included the additional drilling results from June 2007 through to June 2008. The North Hematite Pod still remains open to the east and to the north at depth. The latest drilling has attempted to close off the deposit however the ground conditions are problematic at depth and within the mineralisation. The infill drilling is designed to close the drill spacing to a 40m by 20m pattern to support a JORC Indicated Resource to be used as a basis for the project's feasibility study.

A summary of the more significant down hole intercepts are tabulated below.

DrillHole ID	Depth From	Depth To	Interval (m)	Fe	SiO2	Al2O3	P
W6R143	58	72	10	61.28	2.77	2.32	0.219
W6R180	58	78	20	59.65	3.40	2.82	0.138
W6R222	78	86	6	57.33	8.67	0.27	0.094
W6R223	82	94	12	61.63	4.60	2.03	0.134
W6R224	94	108	12	59.78	4.15	2.81	0.126
W6R225	24	36	10	57.38	3.36	2.36	0.119

### 1.1.2 Resource Model Update

As reported to the ASX on 17th July 2008, the Company announced a significant increase in the Company's Indicated Mineral Resource at the Wilgerup Hematite Deposit. The updated mineral resource shows an increase in tonnage from 8.0 Mt to 13.2 Mt.

The updated indicated and inferred resources are as follows:

Indicated Resource							
Ore Type	Fe% cut-off	Tonnage (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	P %
Massive Hematite	55	10.4	59.7	3.6	2.3	4.6	0.49
Hematite Carbonate	45	0.6	49.9	6.8	3.7	7.9	0.63
Hematite Clay	45	2.2	49.9	10.5	4.8	6.9	0.54
<b>Total</b>		<b>13.2</b>	<b>57.7</b>	<b>4.9</b>	<b>2.8</b>	<b>5.1</b>	<b>0.50</b>

Inferred Resource							
Ore Type	Fe% cut-off	Tonnage (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	P %
Massive Hematite	55	0.5	58.7	4.1	2.4	4.2	0.50
Hematite Carbonate	45	0.1	49.9	6.4	2.8	8.2	0.53
Hematite Clay	45	0.15	50.3	9.8	3.3	6.4	0.64
<b>Total</b>		<b>0.75</b>	<b>56.0</b>	<b>5.5</b>	<b>2.6</b>	<b>5.1</b>	<b>0.53</b>

To view the detailed announcement regarding the resource update, please follow the link below:

<http://www.asx.com.au/asxpdf/20080717/pdf/31b6hrk7d82bz9.pdf>

### 1.1.3 EL 3317 Wilgerup Geotechnical and Hydrological Studies.

An initial geotechnical study commenced on the Wilgerup North Hematite Pod in January with results received in April. John Nitschke Drilling completed four (4) HQ3 diamond drill holes but these did not provide sufficient information on the western pit wall location and resulted in an additional 4 diamond drill holes required. These holes were completed in June with a revised geotechnical assessment report due in August.

A hydrological project study was completed on the Wilgerup North Hematite Pod during the quarter. Underdale Water Bore Drillers completed three (3) monitoring bores and one (1) production bore in May 2008. The pumping test was completed in June and final report is due in July. Initial results indicate that sufficient water is not available for the life of mine projected requirements. A desktop review is currently underway to source potential alternative sources of water for dust suppression.

## **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:

- The commencement by Golder Associates of a concept level environmental study of the proposed deposit site, transport corridor and potential port site options;
- Completion of a metallurgical study by Engenium that established standardised procedures including optimal grind size targets for Davis Tube Recovery (DTR) testing, to be used for the current drilling program any future resource definition; and
- Completion of newly constructed core farm facilities located in Cowell, including automated core cutting equipment and a site office.

In June a contract was signed with Boart Longyear to carry out concept level drilling for the project using a dual purpose RC/diamond core drill rig. This drill rig is due to arrive on site in late July 2008.

## **1.3 EL3287 Stony Hill**

The Stony Hill tenement is located in the Western Middleback Ranges of South Australia (approximately 50km's west of Whyalla). It is close to One Steel's (formerly BHP Co. Ltd) mines that have produced over 200Mt of high-grade hematite ore. The Company has identified a number of iron ore exploration targets from high resolution aeromagnetic and surface mapping of Banded Iron Formation.

In early March Underdale Drillers commenced a regional exploration reverse circulation drilling program to test a number of exploration targets. Twenty four (24) drill holes have now been completed of which twenty (20) holes for 2,343 metres were drilled during the quarter. Geological logging and analytical results have indicated the presence of magnetite with the most promising drill hole SHR019 intersecting 28 metres of magnetite BIF from 118 metres, with an average head grade of 21.7 % Fe. Selected samples will now undergo Davis Tube Recovery test work to determine the concentrate grade and recovery.

Drill hole SHR019 was designed to test a 2 km long aeromagnetic anomaly which trends north of the outcropping magnetite BIF at Stony Hill. Further drilling is now required to determine the spatial continuity and metallurgical characteristics of the magnetite BIF.

## 2. DEVELOPMENT ACTIVITIES

### *Mining Lease Proposal*

Sinclair Knight Merz (“SKM”) finalised the Draft Mining Lease Proposal (“MLP”) for the Wilgerup project and the document was submitted to PIRSA for comment. A meeting with PIRSA on 13<sup>th</sup> June resulted in Centrex being informed that the scope of the MLP is to be expanded to include all transport corridors and port infrastructure options available. The revised report and submission date for the MLP is late July.

### *Wilgerup Site – Kamballa station*

Continued discussions regarding the terms for the purchase of Kamballa station encompassing the Wilgerup hematite deposit continued during the quarter with draft sales contracts being prepared. Completion of negotiations and documentation should be signed in July with transfer of title to take effect in December, to coincide with completion of the harvest period.

Work completed during the quarter included:

#### Wilgerup Mine site

- MLP / MARP process continued throughout the June quarter.
- Continuation of the community engagement and consultation process.
- Government stakeholder engagement continued.
- Hydrological study drilling completed. Pumping tests completed in June with final report to be submitted in July. Initial results indicate an additional water source may be required and a desktop search of potential sources has commenced.
- Geotechnical assessment of additional diamond drill core commenced. Peter O’Brien and Associates contracted to complete the core logging and evaluation with results due in August.
- Preliminary Production schedules were completed during the quarter.
- Request for quotations distributed to suitable mining contractors to provide mine operating costs to develop budget site operating costs.

Centrex submitted an alternative proposal to the Port Lincoln City Council (PLCC) in an attempt to broker support from the PLCC and fishing industry to export Wilgerup hematite products from Brennen’s Jetty in Port Lincoln for the short term. The alternative proposal involves the PLCC supporting Centrex exporting from Brennen’s Jetty and facilitating the proposed relocation of the fishing fleet to Proper Bay. This proposal would see Centrex rail all product into Port Lincoln, refurbishment of an existing rail unloader and storage facility (or a new storage shed constructed), a new enclosed conveyor structure installed along the jetty and refurbishment of one of the existing ABB ship loaders.

Flinders Ports and Genessee and Wyoming (GWA) are fully supportive of the proposal. ABB require an engineering feasibility study to be completed before committing to the proposal, however remain positive.

A detailed feasibility report will be prepared and submitted to Development Application Committee (“DAC”) for approval to export from Brennen’s Jetty in Port Lincoln. Council will be consulted on the application but are not the key decision maker in the process as a result of the Main wharf being outside of the town boundary. The development application for Proper Bay will be continued to completion to ensure that, should DAC not approve the request for access to the Main wharf, a fallback position will still exist at Proper Bay.

### *Alternative port site*

A bathometric survey was completed on the east coast of Eyre Peninsula between Cape Hardy and Lipson Cove to identify suitable green field alternative deep water port locations. Two sites were identified and discussions commenced with both land owners. The preferred site delivers 18 metres of water at low tide at a distance of 450 metres from the coast.

### 3. PRODUCTION ACTIVITIES

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

### 4. CAPITAL

The Company had 261,564,242 shares and 55,478,694 2008 A Class Options on issue at 30 June 2008.

During the quarter members exercised the following options:

- 3,450 on 21 May 2008; and
- 102,500 on 5 June 2008.

The shortfall from the pro-rata renounceable rights issue was privately placed in the following manner:

- 28,750,000 on 30 April 2008;
- 1,250,000 on 1 May 2008;
- 12,500,000 on 12 May 2008; and
- 545,778 on 5 June 2008.

### 5. FINANCIAL

#### 5.1 Reconciliation of Expenditure

This is the fourth quarterly report for Centrex Metals Limited for the year ended 30 June 2008. In the previous quarterly report the estimated exploration and evaluation cash outflows for the current quarter was \$517,000. The actual exploration and evaluation cash outflow amounted to \$1,810,000; the difference being primarily due to additional feasibility costs.

#### 5.2 Cash at end of Quarter

Cash at 30 June 2008 was \$18,885,031.

Attached is the Appendix 5B Statement of Cashflows for the period from 1<sup>st</sup> April 2008 to 30th June 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 JUNE 2008

### 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 (b) development (c) production (d) administration	(1,810) - - (444)	(5,001) - - (1,591)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	130	472
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) refund	128	208
1.7 Other (provide details if material)	-	-
<b>Net Operating Cash Flows</b>	<b>(1,996)</b>	<b>(5,912)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchase of: (a)prospects (b)equity investments (c) other fixed assets	- - (87)	- - (98)
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>(87)</b>	<b>(98)</b>
1.13 Total operating and investing cash flows (carried forward)	(2,083)	(6,011)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(2,083)	(6,011)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	16,467	16,987
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>	16,467	16,987
	<b>Net increase (decrease) in cash held</b>	14,384	10,977
1.20	Cash at beginning of quarter/year to date	4,501	7,908
1.21	Exchange rate adjustments to item 1.20		
		18,885	18,885
1.22	<b>Cash at end of quarter</b>		

**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	535
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).	\$147
Adelaide Equity Partners (corporate advice, office rental, administration services)	\$241
Minter Ellison (legal advice)	\$147

**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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+ 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	976
4.2 Development	-
<b>Total</b>	<b>976</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	1,535	721
5.2 Deposits at call	17,350	3,780
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>18,885</b>	<b>4,501</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	EL 3731	Partial surrender of land (11%)	100%	100%
	EL 3375	Partial surrender of land (9%)	100%	100%
6.2 Interests in mining tenements acquired or increased				

+ 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 July 2008  
(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.