



CENTREX METALS
LIMITED

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ASX RELEASE

Thursday 26th April 2007

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

Dear Sir/Madam

Third Quarter Activities Report

THREE MONTHS TO 31st MARCH 2007

Highlights:

- **Maiden hematite Indicated JORC resource announced of 8.0 million tonnes grading 59.8% Fe for Wilgerup**
- **Anticipate that additional drilling will increase confidence and size of Wilgerup resource.**
- **Diamond drilling commenced on the Company's Bungalow magnetite deposit located 9kms north of Cowell on the east coast of Eyre Peninsula**

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 activities on EL3317 Wilgerup area.

1.1) EL 3317 Wilgerup

Reverse Circulation drilling which commenced at Wilgerup on 6th September 2006 was completed on 7th February 2007. During the reporting period a further eighteen (18) drill holes were completed for a total of 2,636 drill metres. The drilling consisted of 80m x 20m infill drilling of the North Hematite Pod.

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 160m x 80m centres. The assay results demonstrated that infill drilling was warranted. 80m x 20m and 80m x 40m infill drilling was then undertaken in order to have sufficient drill coverage to support the estimation of an Indicated Resource.

Hematite has been intersected from immediately below the sand cover to vertical depths of 180 metres.

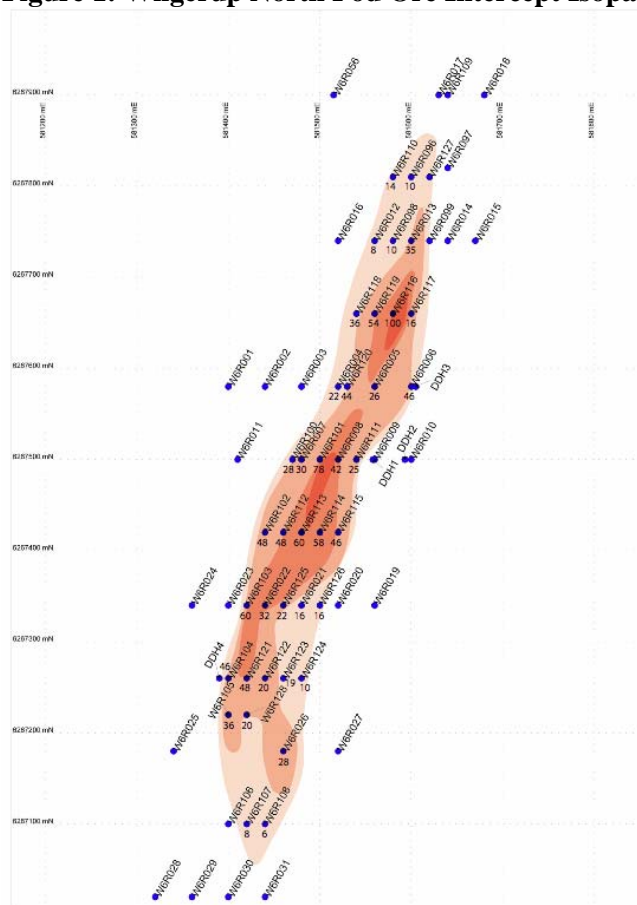
1.2) Geology

The hematite mineralisation occurs as a tabular moderate to steeply dipping 800m x 60-120m body with high grade intervals ranging from 10 – 100m and averaging 35m in thickness. The massive hematite lies buried immediately beneath 20-25m of sand cover.

The massive hematite is overlain in places by hematite clay consisting of high grade hematite with clay bands that appear to be clay infilling palaeo-fractures. The hematite clay grades from 45-60% Fe.

The massive hematite grades vertically into hematite carbonate which itself grades vertically into massive dolomite. The hematite carbonate consists of massive and finely banded hematite with relict fine bands of silica/carbonate and secondary carbonate veining. The hematite carbonate generally grades 45-55% Fe.

Figure 1: Wilgerup North Pod Ore Intercept Isopachs (+60% Fe composites)



1.3) Drill Results

Significant North Hematite Pod intersections included the following;

Hole No	From	To	Intercept (m)	% Fe	% SiO ₂	% Al ₂ O ₃	% LOI	% P
W06R98	48	58	10	61.3	3.32	2.34	2.73	0.652
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
W06R104	26	42	16	62.9	1.08	0.77	7.26	0.194
	46	76	30	63.2	1.72	1.29	3.71	0.451
W06R105	26	62	36	60.9	2.68	2.27	5.68	0.211
W06R110	46	60	14	62.2	2.06	1.60	3.38	0.555
W06R111	104	128	24	58.5	3.76	2.25	3.24	1.230
W06R112	26	54	28	62.3	1.75	1.52	5.45	0.308
	76	96	20	63.4	1.30	1.31	4.46	0.429
	106	114	8	61.4	1.75	1.53	2.18	1.152
	120	132	12	60.6	2.49	1.83	3.12	0.939
W06R113	24	34	10	62.9	3.38	2.33	2.89	0.254
	50	64	14	59.5	5.09	3.91	4.49	0.128
	72	126	54	58.9	4.11	3.58	5.79	0.169
W06R114	68	78	10	58.6	3.04	2.42	6.56	0.098
	84	132	48	62.5	2.20	1.59	4.10	0.082
W06R115	86	132	46	61.0	1.52	1.37	4.66	0.122
W06R116	72	174	100	61.2	2.42	1.96	3.28	0.640
W06R117	158	164	6	59.3	3.64	2.21	3.65	0.788
	174	180	6	60.5	1.99	1.40	3.21	0.890
W06R118	24	46	22	61.0	3.31	2.00	4.06	0.430
	50	54	4	60.5	2.66	1.81	2.17	0.993
W06R119	32	86	54	61.9	2.30	1.77	4.88	0.473
	122	132	10	59.6	2.53	1.64	2.43	1.213
W06R120	86	130	44	60.3	2.24	1.43	4.16	0.809
W06R121	26	74	48	60.2	3.46	2.69	5.62	0.162
W06R122	38	50	12	63.0	3.38	1.84	4.08	0.050
W06R123	38	46	8	59.0	5.57	3.57	4.65	0.177
	62	92	30	60.3	2.19	1.71	5.77	0.110
W06R124	78	90	12	60.3	3.85	1.24	5.29	0.069
W06R125	34	38	4	60.7	5.42	2.38	3.93	0.072
	78	94	16	61.1	3.26	2.26	4.50	0.087
	108	112	6	60.3	2.37	0.98	5.45	0.071
W06R126	86	104	18	61.4	4.07	1.54	3.72	0.072
W06R128	44	64	20	57.6	5.06	4.33	5.34	0.376

Drilling of the South Pod intersected variable hematite mineralisation. Significant South Hematite Pod intersections included the following;

Hole No	From	To	Intercept (m)	% Fe	% SiO ₂	% Al ₂ O ₃	% LOI	% P
W06R059	30	34	4	50.6	7.19	5.59	8.23	0.064
	50	58	8	51.5	9.05	6.03	6.16	0.094
W06R060	34	38	4	54.7	8.31	1.90	8.65	0.050
W06R061	36	40	4	52.1	14.27	2.87	6.20	0.064
W06R062	44	48	4	55.7	12.20	2.60	3.84	0.050
W06R063	62	66	4	55.4	4.12	1.94	7.60	0.073
W06R064 *	74	78	4	50.6	4.63	1.51	8.96	0.129
W06R066 *	58	66	8	51.2	3.69	1.60	10.63	0.104

* Assays returned manganese levels above 5%

Four (4) diamond drill holes were completed on the North Pod for a total of 604 drill metres. The diamond core was logged, photographed and fillets taken for assay. No assays were available at the end of the reporting period. Once the assays have been returned composite samples of hematite, hematite clay and hematite carbonate will be submitted for detailed ore characterisation test work.

1.3) Resource Estimate

The massive hematite resource at Wilgerup has been estimated by Snowden Mining Consultants to be:

Ore Type	Classification	Tonnage (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %
Massive Hematite	Indicated	8.0	59.8	3.3	2.3	4.8	0.47
Massive Hematite	Inferred	1.1	59.5	3.1	2.2	4.1	0.66
Total		9.1	59.8	3.3	2.3	4.8	0.49

The deposit also includes two additional hematite mineralised horizons, namely hematite clay and hematite carbonate. The hematite clay is thought to be a paleo-weathering product where joints/fractures within the hematite deposit have been in-filled by clay. The hematite carbonate forms a layer between the massive hematite and underlying dolomite. The respective Inferred Resource for these potential ore types are:

Ore Type	Classification	Tonnage (Mt)	Fe %	SiO ₂ %	Al ₂ O ₃ %	LOI %	P %
Hematite Clay	Inferred	2.1	48.6	11.1	5.1	7.6	0.47
Hematite Dolomite	Inferred	1.1	47.9	8.6	4.0	8.1	0.74
Total		3.2	48.3	10.3	4.8	7.8	0.56

1.4) Resource Methodology

Snowden Mining Industry Consultants (Snowden), on behalf of Centrex Metals Limited (Centrex), undertook a Mineral Resource Estimate for the Wilgerup North iron ore deposit.

On direction from Centrex Metals, Snowden modelled three mineralised units including massive hematite, a hematite-clay unit and a hematite carbonate unit. The three units were identified based on lithologic and geochemical data.

The Mineral Resource was tabulated above a block model cut-off grade of 55% Fe within the massive hematite unit and above a cut off of 45% Fe for the hematite-clay and hematite-carbonate units as these units were recognised as potentially requiring additional metallurgical processing requirements.

Figure 2: Wilgerup North Pod Ore Long Section through Block Model

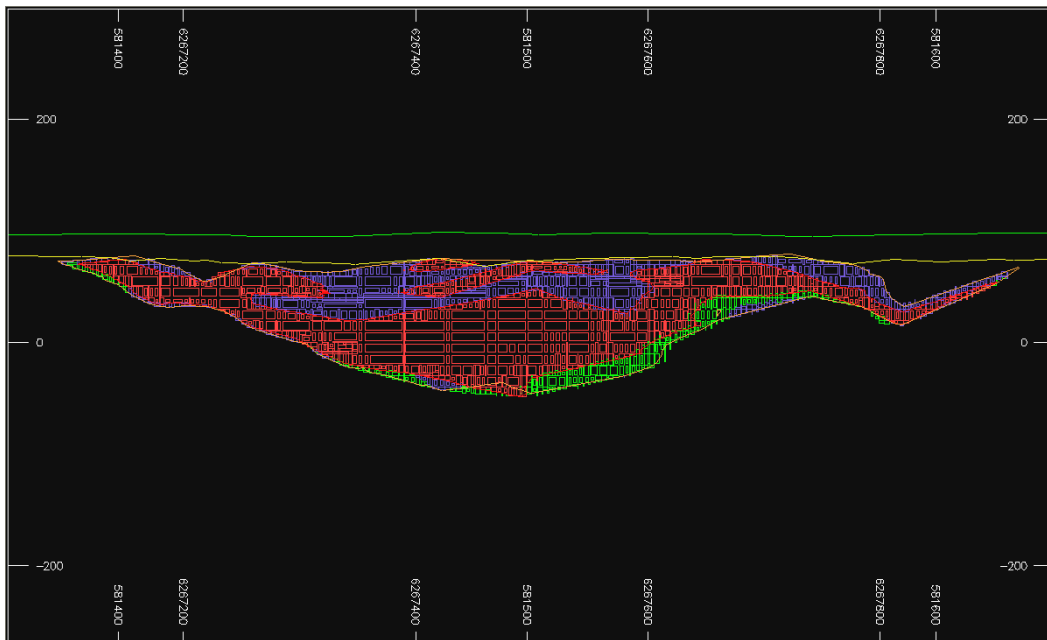


Figure 2 massive hematite is coded red; hematite clay coded blue and hematite carbonate green. Centrex believes that due to a number of drill holes terminating in hematite, that the estimation of hematite carbonate is likely to be conservative.

At an iron cut-off of 55% Fe for the massive hematite unit, the Indicated Resource totals 8.0 Mt at grades of 59.8% Fe, 3.3% SiO₂, 2.3% Al₂O₃ and 0.48% P. The Inferred Resource within this unit totals 1.1 Mt at a grade of 59.5% Fe, 3.1% SiO₂, 2.2% Al₂O₃ and 0.66% P.

The hematite-clay and hematite-carbonate units have an Inferred Mineral Resource classification and are reported above a 45% Fe cut-off. The hematite-clay unit totals 2.1 Mt at a grade of 48.6% Fe, 11.1% SiO₂, 5.1% Al₂O₃ and 0.47% P. The hematite-carbonate unit totals 1.1 Mt at a grade of 47.9% Fe, 8.6% SiO₂, 4.0% Al₂O₃ and 0.74% P.

The resource was classified into Indicated and Inferred categories in accordance with the 2004 JORC Code. The resource classification was based upon a number of criteria including the geological confidence, the integrity of data, the spatial continuity of mineralisation and the quality of the estimation.

Centrex provided Snowden with the data and geological interpretations used as the basis for the estimates. Snowden reviewed the drilling and sampling data underlying the resource estimate and, following suitable adjustments, verified that the data was of sufficient quality to support the resource classifications. Snowden did not undertake a site visit as part of the estimation process.

Snowden considered that Centrex should be able to increase the confidence and size of the resource through additional drilling.

Mineralisation within the massive hematite unit was interpreted for estimation purposes using a nominal 55% Fe cut-off whilst a nominal 45% Fe cut-off was used for the hematite-clay and hematite-carbonate units in conjunction with geological information. The interpretation of the mineralisation boundaries for each unit was constrained within the vertical limits of the drillhole data. Variography was conducted within the massive hematite unit (based on the quantity of samples available and continuity of data, mineralisation continuity to 160 m was exhibited along strike and 50 m across strike). The block model that was generated was based on a parent block size that was appropriate for the mineralisation continuity and current drillhole spacing.

Snowden used ordinary kriging to estimate Fe, SiO₂, Al₂O₃, P, LOI, CaO, MgO, Mn, S, TiO₂ and Na₂O into a constrained block model reflecting the interpreted units. Where appropriate, top cuts were applied to some of the elements estimated. The search ranges for the estimation were based on the maximum ranges of mineralisation continuity as modelled from the variography. The variogram parameters derived from the massive hematite unit were used to estimate all three units.

An average in-situ density of 3.3 t/m³ was used for the massive hematite domain, 2.5 t/m³ for the hematite clay domain and 2.9 t/m³ for the hematite carbonate domain. These densities were supplied by Centrex.

1.5) Further Resource Potential at Wilgerup

Up to 30 geophysical targets have been interpreted within Exploration Licence 3317. Centrex drilled wide spaced drill lines over five (5) residual gravity anomalies. Four of the five gravity anomalies recorded low grade hematite reinforcing the validity of the exploration model for blind hematite deposits. Centrex believes that drilling of the remaining geophysical targets is likely to add to the resource inventory at Wilgerup.

1.6) Bungalow EL3610

Two (2) NQ diamond drill holes were completed and a third in progress for a total of 494.6 drill metres at the Company's Bungalow magnetite deposit as part of a 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 BUD07 and BUD08 both intersected wide intervals of highly magnetic banded iron formation. No sampling had been completed by the end of the period.

1.7) 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

During the quarter a detailed aeromagnetic survey was flown over the above tenements for a total of 8,394 line kilometers. The data is being processed by UTS Geophysics.

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 31 March 2006. 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 third quarterly report for Centrex Metals Limited for the year ended 30 June 2007. In the second quarterly report the estimated exploration and evaluation cash outflows for the next quarter amounted to \$822,000. The actual exploration and evaluation cash outflow amounted to \$698,000; the decrease primarily due to a reduction in reverse circulation drilling as a result of the contractor having to honour a previous contract for another company.

5.2 Cash at 31 March 2007

Cash at 31 March 2007 was \$8,659,572.

Attached is the Appendix 5B Statement of Cashflows for the period from 1st January 2007 to 31st 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")

31 MARCH 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (9 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	(698)	(2,054)
(b) development	-	-
(c) production	-	-
(d) administration	(297)	(1,281)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	167	376
1.5 Interest and other costs of finance paid	-	(15)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material) –GST received	116	226
Net Operating Cash Flows	(712)	(2,748)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(1)	(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)	-	-
Net investing cash flows	(1)	(76)
1.13 Total operating and investing cash flows (carried forward)	(713)	(2,824)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(713)	(2,824)
Cash flows related to financing activities			
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)
	Net financing cash flows	-	11,466
	Net increase (decrease) in cash held	(713)	8,642
1.20	Cash at beginning of quarter/year to date	9,373	18
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	8,660	8,660

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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+ 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	688
4.2 Development	-
Total	688

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)		
Total: cash at end of quarter (item 1.22)	8,660	9,373

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 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	97,708,506		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	Nil	Nil		
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>	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 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:



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(Director)

Date: 26 April 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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