



CENTREX METALS
LIMITED

AUSTRALIAN SECURITIES EXCHANGE RELEASE

30th April 2009

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

Dear Sir/Madam

Third Quarter Activities Report

THREE MONTHS TO 31st March 2009

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, Bungalow and Carrow iron ore projects, on South Australia's Eyre Peninsula.

General

The Bungalow and Carrow diamond drilling programs were completed last quarter and all sample results have now been received. The data has been used for geological modeling, technical statutory reporting and project planning. Davis Tube Recovery (DTR) procedures have been established for both projects and metallurgical characterisation has been completed for Bungalow. The next stage of drilling for both Bungalow and Carrow is planned for the second half of 2009.

The Full Tensor Gravity airborne survey planned for the Mount Hill and Cockabidnie tenements has been delayed until mid June 2009 due to delays in mobilizing the aircraft from Britain.

A geological review of the western Middleback tenements has identified a number of prospective areas for hematite and magnetite mineralisation. Further field work will be conducted over the coming quarter to refine targets for geophysical surveys and drilling.

1.1 Wilgerup Activity

There were no drilling activities during the quarter however a new exploration site office has been established at the Company's recently purchased Kamballa property. All geological equipment, samples, chip trays and office furniture has been relocated and a core shed established for geological logging and storage.

With Wilgerup progressing to the mining phase, a local mine grid has been established resulting in a new database and block model. In addition a regional stratigraphic model was developed and a lump and fines classification scheme established for the Wilgerup North Pod. Further exploration and mine development drilling has been designed and planned for later in the year.

Snowden Mining Industry Consultants updated the Wilgerup North Pod Resource model to include estimated mineralised waste blocks. The intention is to identify the tonnes and grade of the mineralised waste for potential beneficiation. Metallurgical testwork of the massive hematite and low grade material has involved the dispatch of samples to a number of Chinese companies including the Shenyang Orient Iron and Steel Co., Ltd for beneficiation tests.

A Photo Rehabilitation Report was completed for EL3317 Wilgerup as required in Centrex's EWA conditions. All Wilgerup drill sites have been rehabilitated.

1.2 Bungalow and Carrow Activity

Carrow

A representative sample of drill core from the recent diamond drilling at the Carrow magnetite deposit was used to determine the optimal Davis Tube Recovery procedure. The testwork results were very encouraging whereby excellent Blast Furnace (BF) grade quality can be achieved from an indicated grind size of 80% passing 75 micron.

Preparations for the pre-feasibility stage drilling program, planned for the second half of 2009, included geological modeling, the development of a DTR standard procedure, design of drill holes and sponsorship of a geology honours project. Centrex has purchased the main property covering the Carrow magnetite deposit which simplifies access and provides a nearby site office, accommodation and core yard.

Bungalow

Preliminary metallurgical characterisation has been completed on selected diamond core samples from the recent 5,194m drilling program. The results indicate that the deposit has an average Bond Work Index of 12.2kwh/tonne indicating that power costs for grinding should be favorable in comparison to similar magnetite projects in Western Australia.

The DTR procedure for Bungalow has been established with a grind size of 80% passing 32 micron. The average results from the recent drilling include both a 20% and 10% DTR cut-off. An additional 43% of samples were added when using the 10% DTR cut-off as follows;

- 20% DTR cut-off: 31.5% Recovery @ 70.0% Fe, 3.0% SiO₂
- 10% DTR cut-off: 26.4% Recovery @ 69.5% Fe, 3.2% SiO₂

1.3 Tenement Management

All tenements are in good standing with recent statutory reporting including six monthly Technical Summary Reports for EL 3877 Mount Hill, EL 3609 Cockabidnie, EL 3611 Greenpatch and EL 3401 Lock, EL 3287 Stony Hill, EL 3999 Ironstone Hut and EL 3375 Gilles Downs.

A number of tenement renewals were received from PIRSA including EL 3287 Stony Hill, EL 3999 Ironstone Hut and EL 3371 Wilgerup.

A Tenement Licence Application was submitted to PIRSA for the tenement abutting the south west area of the Wilgerup Tenement.

1.4 Tenement Acquisitions/Disposals and Farm-in/Farm-out Agreements

Following the recent signing of a second Heads of Agreement, the Company now has two potential joint venture partners:

EL 3610 – Bungalow – Baotou Iron & Steel Co., Ltd (“Baotou”)

Officials from Centrex and Baotou met in Beijing from 9-11 March 2009 to progress talks for the Bungalow Joint Venture and the Wilgerup Hematite Sales and Purchasing Agreement. The discussions resolved many outstanding issues in the transaction documents.

Southern & South Central Tenements – Wuhan Iron & Steel (Group) Co (“WISCO”)

Centrex officials met with representatives of WISCO in Wuhan from 1 – 9 March 2009 to progress discussions on the Joint Venture Transaction Documents including the Acquisition Agreement; Subscription Agreement; Joint Venture Agreement; Shareholder Agreement; Management Agreement and Constitution of the management company Eyre Iron Pty Ltd. Agreement was reached on most of the details of the Transaction Documents and both parties agreed to expedite finalization of the agreements prior to seeking government consents and approvals. Negotiations are ongoing and both parties are confident of reaching final agreement by 10th May 2009.

As announced on the 18th of December 2008, the Company signed a binding heads of agreement with WISCO from China to purchase a 50% interest in the iron ore rights of the following exploration licences:

- **EL 3611** just north of Port Lincoln;
- **EL 3421** near Dutton Bay, 90 kilometres northeast of Port Lincoln;
- **EL 3269** just northwest of Port Lincoln;
- **EL 3731** just west of Tumby Bay; and
- **EL 3877** stretching along the Port Lincoln to Tumby Bay coastline.

2.0 DEVELOPMENT ACTIVITIES

Mining Lease Proposal

The Mining Lease Proposal (“MLP”) for the Wilgerup Project was submitted to PIRSA on 15th October 2008 and began the minimum 25 week statutory approval process. Following a request for further information from the Department of Water, Land, Biodiversity and Conservation (DWLBC), Centrex was requested to provide a +500 year impact assessment on the regional basement aquifer due to dewatering of the mine environment. The model and final report were discussed and approved by DWLBC and submitted to PIRSA in March 2009.

PIRSA has continued to assess the MLP document and prepare a recommendation to the Minister. The Company anticipates that approval should be received in May/June 2009. Work continues on preparation of the Mining and Rehabilitation Plan (“MARF”) document which will be submitted to PIRSA upon feedback from, and approval of the MLP. This will complete the second stage of Project approval, with Ministerial sign-off remaining. This is anticipated to occur in Q4, 2009.

Work completed during the quarter included:

- Develop model to determine potential impact on ground water levels as a result of mining operations through to +500 year impacts.
- Continuation of the community engagement and consultation process.
- Government stakeholder engagement continued.
- Prepare responses to other government stakeholders.
- Investigate alternative road haulage route and rail siding
- Complete ground vibration assessment of surrounding landowners and water tank audit

Port Lincoln Wharf Development Application

Sinclair Knight Merz (“SKM”) 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 Development Application (DA) was completed and submitted on 13th February to the Development Application Committee (“DAC”) for approval to export from Brennen Jetty in Port Lincoln. The DA was submitted under section 49 of the Development Act (1993) with the Department for Transport, Energy and Infrastructure (DTEI) as the sponsoring government department.

The assessment and recommendation process under s49 of the Development Act entails a 3 month assessment timeframe in which to make a recommendation to the Minister for Mineral Resources Development. The Port Lincoln City Council and all relevant government agencies were consulted during preparation of the DA and are able to submit responses during the assessment period. The Minister has the final decision making powers to approve the Application. Neither the applicant nor opposition has the right of appeal. The Minister has up to 8 weeks to announce a decision from receipt of a recommendation from the DAC.

Flinders Ports, as Port owner, and Genesee and Wyoming Australia Pty Ltd (GWA), as the major rail and rolling stock owner and operator, fully support the proposal. Centrex has continued to work closely with other port users throughout the preparation of the Development Application to ensure stakeholder issues are addressed. Centrex is confident that the DA is of the highest technical standard and welcomes the growing levels of support within the Port Lincoln community and the greater Eyre Peninsula.

Wilgerup Site – Kamballa station

Purchase and transfer of land title occurred on 18th December 2008. The vendor remained on the property until 31 January 2009 under standard commercial rental terms.

Negotiations to lease approximately 450 hectares of the property, not required as part of the mining operations, continued throughout the quarter with an adjacent land owner. The lease agreement is based on standard commercial terms for a period of up to 5 years.

Alternative port site – Sheep Hill

Following agreement for the purchase of 106 hectares of coastal land adjacent to Lipson Cove (Sheep Hill), the land owner recommenced the process to convert the property to freehold title from the current leasehold title. Due to the location of the land (coastal) and proximity to protected beach dunes (Rogers Beach) the land tenements department has taken a cautious approach to the freehold title change process. Confirmation of the transfer of title from leasehold to freehold was received in March 2009, which automatically triggered the transfer of land agreement. The title is scheduled to be transferred to Centrex in May 2009, when the final 90% payment will fall due.

Preliminary engineering designs for the wharf and jetty structure are due to be completed in April 2009 and will be incorporated into the Development Application for approval to construct the port infrastructure and export from Sheep Hill. The site delivers 18 metres of water at low tide at a distance of 450 metres from the coast (20 metres depth at 500metres) enabling direct loading of Cape class vessel from a short wharf.

Golder Associates completed the environmental clearances reports, including land based flora and fauna baseline studies and the marine based flora study in March 2009. This information will be used to complete the Development Application for the site in Q2/Q3 2009.

Engineering update

During the quarter, Centrex completed the conceptual engineering and preliminary design of infrastructure required for the submission of the Development Application (DA) for the upgrade of the Port Lincoln Export Facility.

Significant engineering works were carried out to complete conceptual design to integrate new infrastructure with existing rail and storage facilities. The following tasks were finalised/progressed during the quarter:

Port Lincoln Export Facility

- Complete conceptual design for rail un-loading, conveyance, storage and out-loading of hematite product;
- Reflect engineering changes from the review in the final Development Application;
- Finalise “in principle” approval of conceptual design for upgrade of facilities at the Port Lincoln Export facility with ABB Limited and Flinders Ports included in the Development Application; and
- Finalised conceptual design engineering concept with all remaining stakeholders/agencies for inclusion in the submission of the Development Application to the Development Assessment Commission in February 2009.

Wilgerup Mine Site and Rail siding

- Review mining equipment requirements in line with latest mining schedule;
- Carry out review of Esperance Port Authority operating practices and ICS Conveyor manufacturing facility with and engineering representative from ABB Limited;
- Carry out review of contracting options for crushing and screening facility;
- Refine capital and operating costs into financial model;
- Carry out review of haulage route options for the Wilgerup Mine operation; and
- Review rail siding location and design in line with Wilgerup Mine haulage route review.

General

- Progress with Pre-feasibility document for the Wilgerup Hematite Operation; and
- Progress with execution methodology for delivery of the Port Lincoln Export facility upgrade project.

3.0 PRODUCTION ACTIVITIES

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

4.0 CAPITAL

The Company had the following securities on issue as at 31 March 2009:

Ordinary Shares	269,330,665
2011 A Class Options (expiring 30 Jun 2011, exercisable at \$0.20)	1,000,000
2011 CXM Exec Options (expiring 30 Jun 2011, exercisable at \$0.20)	2,475,000

During the quarter there were no options exercised.

5.0 FINANCIAL

5.1 Reconciliation of Expenditure

This is the third 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 \$1,074,000. The actual exploration and evaluation cash outflow amounted to \$818,000.

5.2 Cash at end of Quarters

Cash at 31 March 2009 was \$10,057,783.

Attached is the Appendix 5B Statement of Cash flows for the period from 1st January 2009 to 31st March 2009.

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



Gerard Anderson
Managing Director
Centrex Metals Limited
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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")

31 MARCH 2009

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	3	5
1.2 Payments for (a) exploration and evaluation	(818)	(5,099)
(b) development	-	-
(c) production	-	-
(d) administration	(850)	(2,468)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	131	864
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) refund	-1	-4
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,534)	(6,702)
Cash flows related to investing activities		
1.8 Payment for purchase of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(140)	(4,179)
1.9 Proceeds from sale of: (a)prospects	-	500
(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	(140)	(3,679)
1.13 Total operating and investing cash flows (carried forward)	(1,674)	(10,381)

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	(1,674)	(10,381)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	1,553
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	-	-
	Net financing cash flows	0	1,553
	Net increase (decrease) in cash held	(1,674)	(8,828)
1.20	Cash at beginning of quarter/year to date	11,733	18,885
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	10,058	10,058

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	411
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).	\$205
Adelaide Equity Partners (corporate advice, office rental, administration services)	\$ 53
Minter Ellison (legal advice)	\$153

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

(\$A'000):

+ 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	719
4.2 Development	-
4.3 Administration	180
Total	899

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	267	2,045
5.2 Deposits at call	9,791	9,688
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	10,058	11,733

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	269,330,665	269,330,665		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) End of restriction period				
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>	① 2008 A Class ② 2011 A Class ③ 2011 Employ. <u>Period end balance:</u> ① 0 ② 1,000,000 ③ 2,475,000	Expiring 31/12/08 Expiring 30/06/11 Expiring 30/06/11	\$0.20 \$0.20 \$0.20	
7.8 Issued during quarter	① - ② - ③ -	① - ② - ③ -		

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	1 - 2 - 3 -	1 - 2 - 3 -		
7.10	Expired during quarter	1 - 2 - 3 -	1 - 2 - 3 -		
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: 30th April 2009
(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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