
AUSTRALIAN SECURITIES EXCHANGE RELEASE

FOR IMMEDIATE RELEASE

General Manager
The Company Announcements Office
Australian Securities Exchange
Electronic Lodgement System

31 October 2011

Dear Sir/Madam

First Quarter Activities Report for the 3 months Ending 30 September 2011

(covering particularly the Company's multi- iron ore projects on South Australia's Eyre Peninsula)

Highlights:

- Inferred resource in the Project Fusion area of the Eyre Iron JV declared in the past quarter stands at 454.4Mt. This is additional to the Inferred and Indicated 159Mt previously declared for the Eyre Iron Carrow project.
 - Selection of the preferred first mine site from the Carrow, Greenpatch and Fusion options will be made in the coming quarter.
 - Preparation of the Port Spencer (previously known as Sheep Hill) PER (Public Environmental Report) is on track with further environmental studies completed this quarter.
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Safety

There were no lost time or medical treatment injuries during the period under review and one significant incident when a backhoe suffered an electrical and hydraulic fluid fire. Prompt action prevented any injuries and damage was restricted to the backhoe.

General Comments

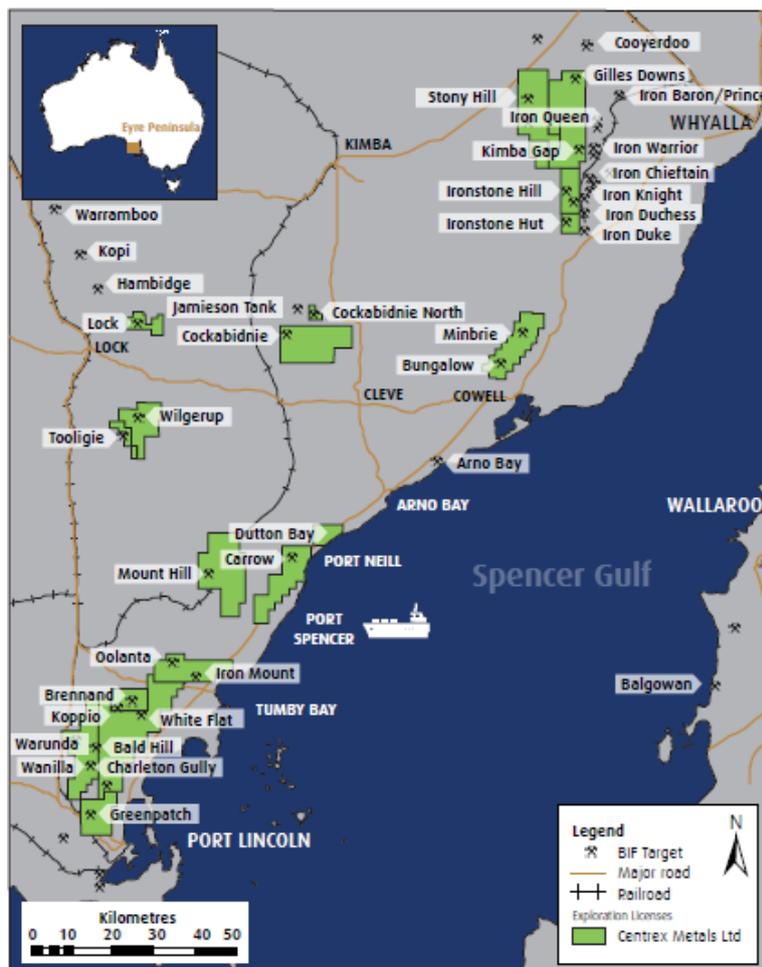
Significant additions to the resource base of the Eyre Iron JV were made during the quarter. These additions will be influential in directing the decision to proceed with feasibility studies. These studies will now be focused on one area from the current three areas that have been under consideration to date. Our goal is to establish the viability of a magnetite mining and processing operation that can deliver 3 to 5Mtpa for 15 to 20 years. It is also of significance to the JV that our partner, WISCO, requires magnetite for use in its Chinese steel mills and that both the WISCO and Baogang JVs are

aimed at long-term supply to dedicated and financially committed partners. The Baogang JV has also entered a new stage ahead of schedule, with a current focus on resource definition and reporting the results of stage 2 work.

Port Spencer has been chosen as the new name for our port development project, replacing Sheep Hill. The new name has been widely accepted as more relevant to the development of a multi user port in Spencer Gulf and removes some community concerns expressed over the use of Sheep Hill.

Our challenges for the coming December quarter are to complete the Port Spencer PER for submission to the SA Government, select the preferred site for the first Eyre Iron magnetite mine and processing plant and maintain the accelerated project schedules.

This report sets out the activities that have been conducted by or on behalf of the Company:



1. JOINT VENTURE ACTIVITIES

Exploration activities on SA's Eyre Peninsula focused on the Bungalow Joint Venture (magnetite) with Baogang which commenced on June 18, 2010 and on the WISCO Joint Venture (magnetite) which commenced on July 20, 2010.

1.1 Bungalow Joint Venture

The Bungalow Joint Venture made significant progress during the quarter with the completion of the Stage 1 scoping study and Stage 2 resource definition and geotechnical drilling. The main recommendation from the Stage 1 report was for further resource definition drilling which commenced early, in March 2011. Significant progress has now been made with the recent completion of Stage 2 resource definition drilling and the commencement of environmental, geotechnical and hydrogeological studies.

Stage 3A has commenced with a further \$8 million payment by Baogang to be made next quarter. Baogang will then have rights to 30% of any iron ore located in the JV tenements. The main aspects of Stage 3A include further resource definition drilling, metallurgical test-work and environmental studies.

A summary of the various aspects of each project stage is presented below.

Stage 1

- The Stage 1 scoping study was completed in August and recommended to progress with the Stage 2 pre-feasibility study including further resource definition drilling and metallurgical testwork.

Stage 2

- Resource definition drilling was completed on the 24th August with a total of 21,682m. Final assay results are expected to be received by early October.
- Peter O'Brien & Associates has been engaged to undertake the geotechnical study and designed a number of geotechnical diamond core holes around the main conceptual pits. Coughlin drilling completed a total of 2,461m in September. Geotechnical logging has commenced and samples dispatched for UCS test work.
- AMEC Minproc has been selected to undertake process engineering and transport studies.
- Water bore drilling to assess the hydrological characteristics of the groundwater and to determine baseline environmental monitoring is due to commence in October.

- Golder Associates has selected representative samples for the acid and metalliferous drainage assessment which commences in October.

Stage 3A

- Resource definition drilling commenced on the 22nd September for a total of 823m. Four diamond drilling rigs have been sourced for around 20,000m of drilling over the next 5-6 months.
- Golder Associates will undertake a desktop environmental review of the proposed pipeline corridor with the intention of completing next quarter, a spring ecology survey of both the mine site and pipeline corridor.
- AMEC Minproc has proposed an additional round of metallurgical test work, as it may be practical to separate hematite from the bulk magnetite.

1.2 WISCO Joint Venture

Eyre Iron Pty Ltd (“Eyre Iron”), the management company of the WISCO Joint Venture, concentrated its efforts on the Fusion Magnetite Project (“Fusion”) this quarter with initial resource definition studies completed and metallurgical and engineering design commenced. Work also continued on the Carrow pre-feasibility study (PFS) as the Process Design & Infrastructure Study components were completed.

A decision on the most favorable site for the first mine and processing plant is expected next quarter.

Regional exploration drilling commenced at the very end of the quarter at the Charlton Gully prospect.

Progress on the various project areas was as follows:

Fusion – Scoping Study

Resource definition for the Fusion scoping study came to a close during the quarter with initial Mineral Resource announcements being released for Koppio, Brennand, Kapperna and Iron Mount, taking total Fusion Mineral Resources to 454.4Mt. A further exploration target of 200Mt to 400Mt remains to be drilled out.

Fusion Deposit Summary Mineral Resources & Exploration Targets

Inferred Resource	Tonnage (Mt)	Grade		DTR (%)	Concentrate Grade	
		Fe (%)	SiO ₂ (%)		Fe (%)	SiO ₂ (%)
Iron Mount ⁽²⁾	135	25.5	36.7	29.3	62.1	9.1
Kapperna ⁽³⁾	65.7	28.3	44.6	29.4	70.2	1.92
Brennand ⁽³⁾	122.4	24.1	51.0	21.3	67.3	4.97
Koppio ⁽³⁾	131.3	17.2	53.5	14.3	67.0	5.43
Total	454.4	23.1	46.5	22.8	66.1	5.9

Exploration Target Extension⁽⁴⁾

All Deposits						
Minimum	200	20		17		
Maximum	400	24		22		

*DTR (percent weight recovery) and concentrate results were from Davis Tube test work performed at P80 passing -75µm

*Mineral Resources and Exploration Target estimates were carried out following the guidelines of the JORC Code (2004) by Coffey Mining Ltd⁽³⁾⁽⁴⁾ and Golder Associates⁽²⁾

(4)The Exploration Targets quantities and grades presented are conceptual in nature, as there has been insufficient exploration to define an overall Mineral Resource and it is uncertain if further exploration will result in the determination of additional Minerals Resources other than those stated.

Further work completed for Fusion during the quarter included:

- Scoping level geotechnical study
- Metallurgical composite samples from Koppio, Brennand, Kapperna and Iron Mount were sent for testing with results expected next quarter

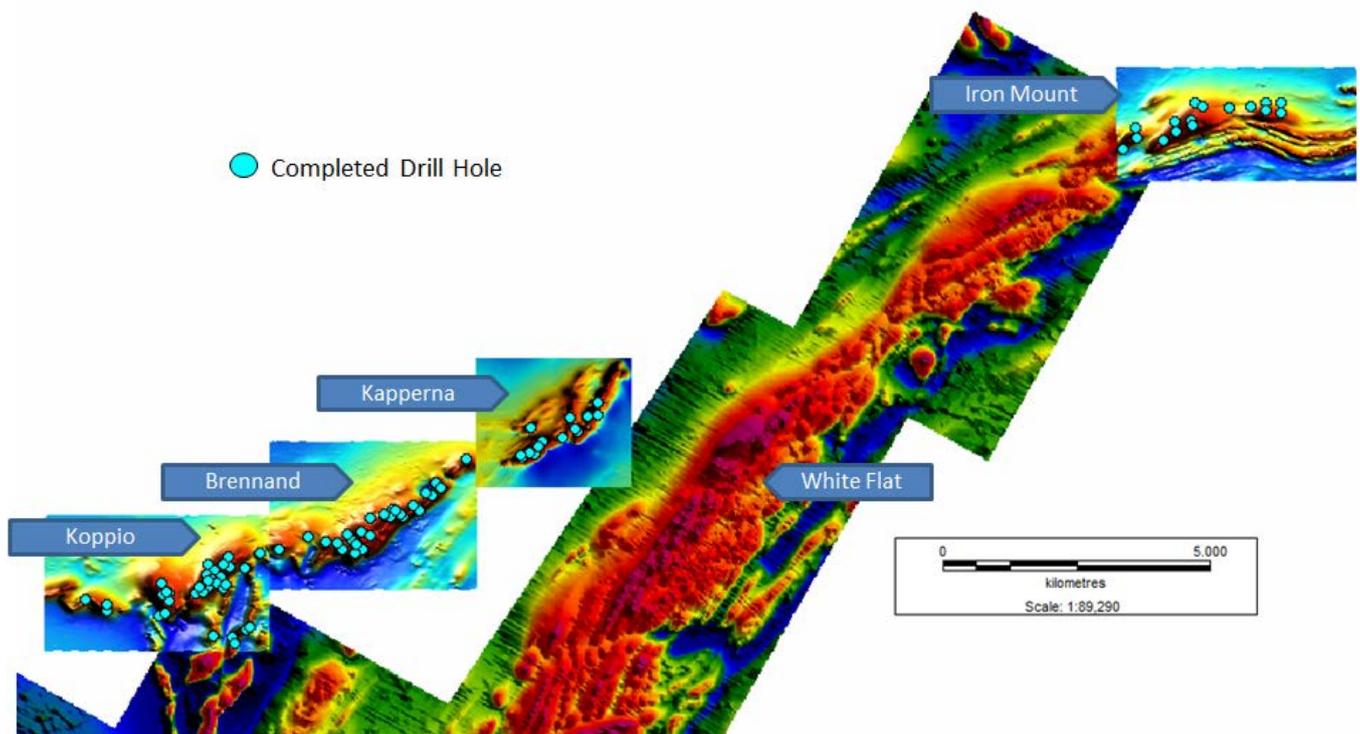


Figure: Fusion deposit locations overlaying high-resolution magnetic intensity maps.

Carrow – Pre-Feasibility Study (“PFS”)

Work completed during the quarter for Carrow included:

- Process Design & Infrastructure Study completed
- PFS report expected in December

Greenpatch – Scoping Study

The following was completed at Greenpatch during the quarter:

- Conceptual process plant and infrastructure design studies
- Resource modeling studies continued

White Flat, Charleton Gully & Warunda – Exploration

At the very end of the quarter, drilling commenced at Charlton Gully with two diamond drill rigs contracted to carry out the regional exploration evaluation program.

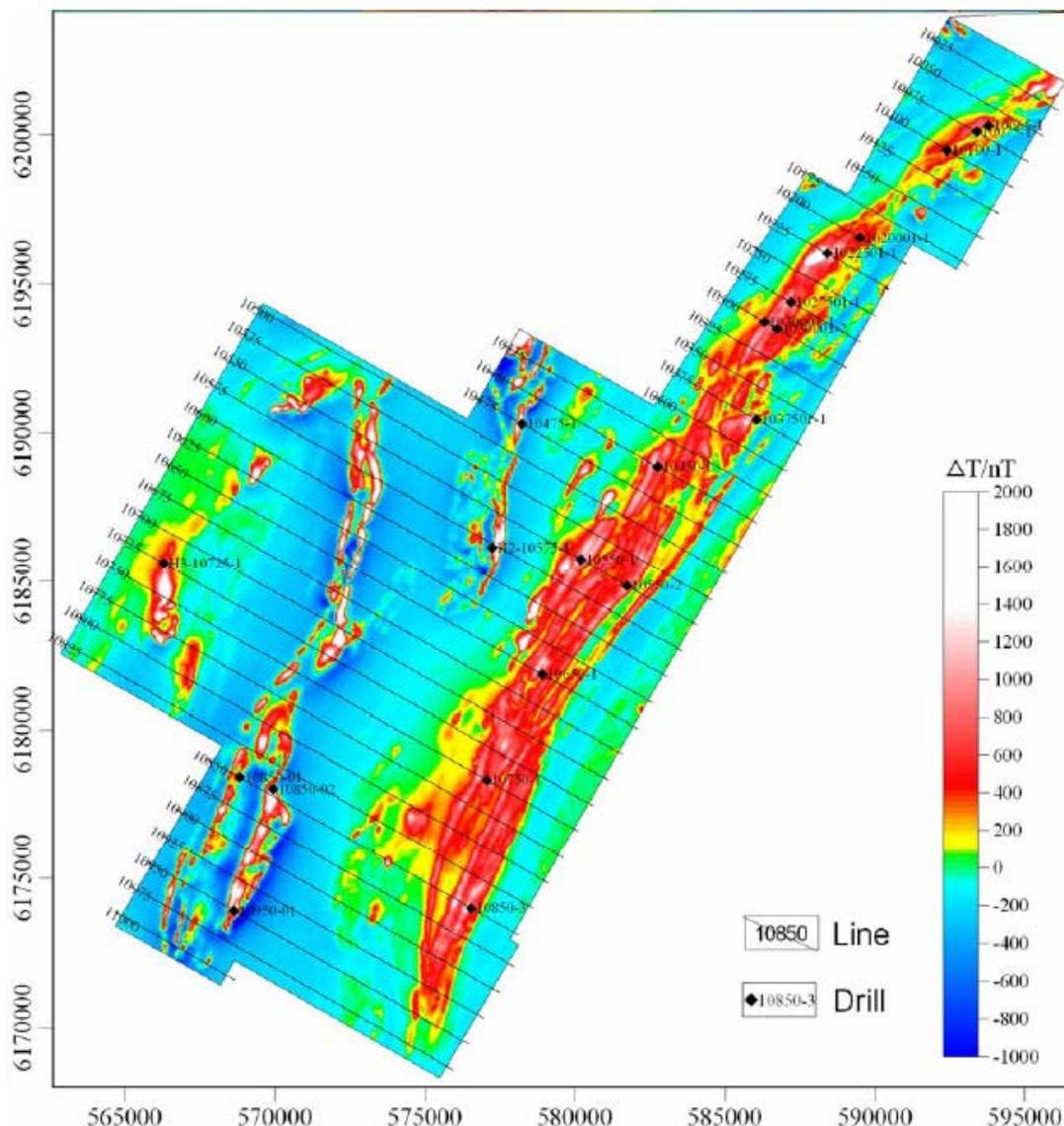


Figure: China University of Geosciences drill hole target plan shown against high-resolution magnetic image.

2. EXPLORATION ACTIVITIES

2.1 Goulburn Skarn Project (magnetite & base metals – NSW)

Seven targets have been identified (refer Figure below) as warranting ground investigation followed by drill testing, if appropriate. The anomalies show gravity and magnetic signatures consistent with those expected from base metal and magnetite mineralisation although this can only be verified by drilling. The top of the anomalies appear to be near surface (<50m below ground level) suggesting that shallow reverse circulation drilling would provide an effective test.

Further field reconnaissance and land owner access discussions will take place next quarter with a view to further ground geophysics and exploration drilling in 2012.

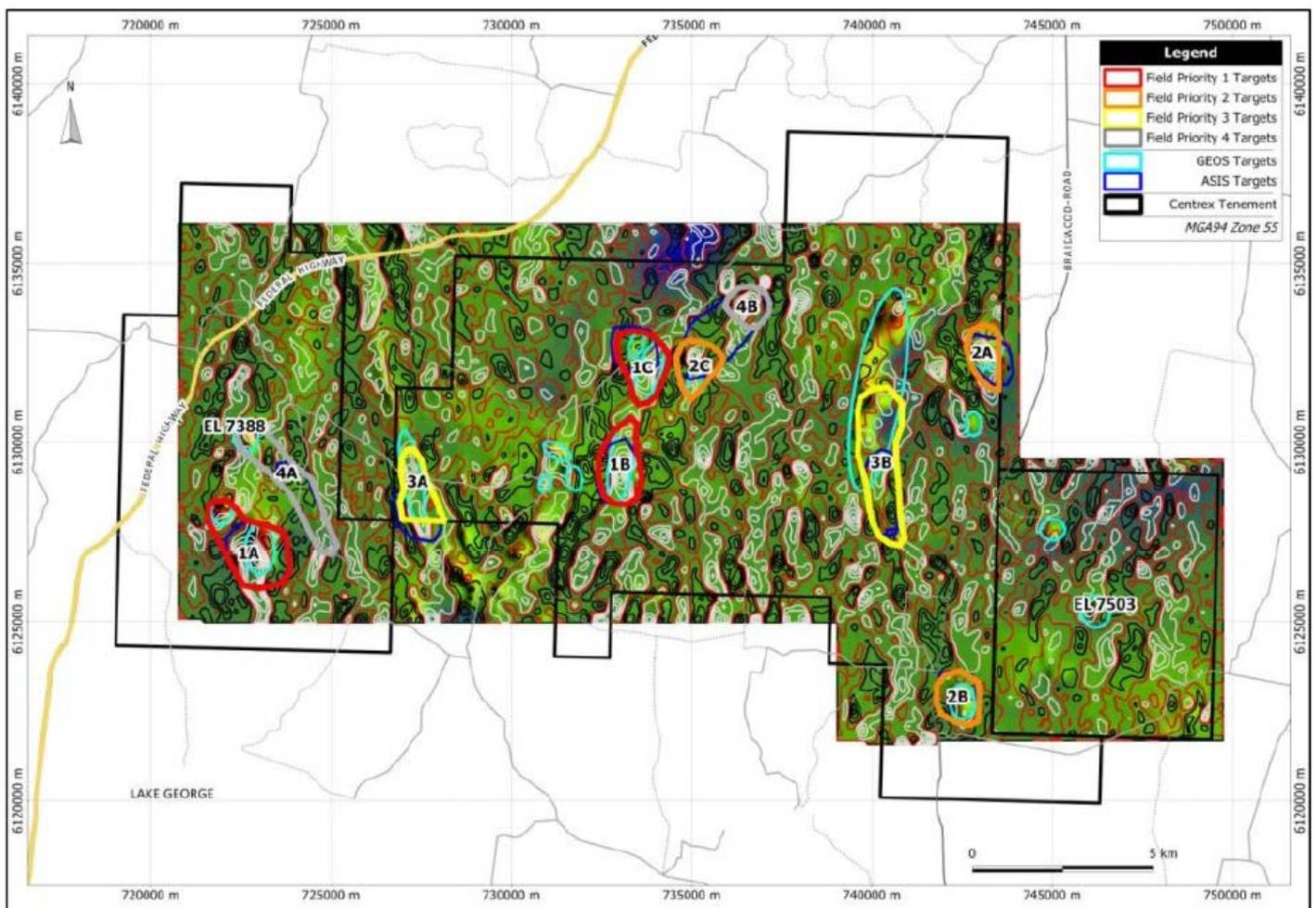


Figure : ASIS and GEOS Targets underlain by the magnetic image and gravity contours.

2.2 Western Middleback Iron Ore Tenements (hematite/magnetite – SA)

No significant activities were undertaken in the Western Middleback tenements.

2.3 Tenement Management

All tenements are in good standing.

A number of 6 monthly reports were submitted to PIRSA including EL 3999 Ironstone Hut, EL 3375 Gilles Downs, EL 3877 Mount Hill, EL 3609 Cockabidnie, EL 3611 Greenpatch, EL 3401 Lock, and EL 4299 Tooligie.

A renewal of EL 4185 Ironstone Hill, EL 3968 Kimba Gap and EL 4384 Wanilla was submitted to PIRSA.

3. OTHER ACTIVITIES

3.1 Wilgerup hematite project

No further activities were undertaken in relation to the proposed Wilgerup hematite DSO mine. The mine will be developed in line with development of Port Spencer (refer below).

3.2 Port Spencer deepwater port (formerly known as Sheep Hill)

The SA Government previously advised that its Development Assessment Commission (DAC) had determined that Centrex must prepare a Public Environmental Report (PER) for the port. DAC provided detailed guidelines setting out the environmental, social and economic issues which Centrex must address in the PER and submit to both government and public scrutiny.

Golder Associates ('Golder') has completed baseline studies of the adjacent Lipson Island and previously on the Rogers Beach sand dunes area. While both these areas are outside the Project boundary, Centrex has elected, however, to undertake these studies to establish possible impacts the port may have on these areas and to include the results in the PER.

Parsons Brinckerhoff has completed a design feasibility study. The concept designs previously completed have been developed further and now incorporate all site civil works, provision of services, roads and expected construction methodology for the site and jetty. This design work will also be presented as part of the PER.

Centrex has appointed Free Eyre as a member of the owner's team to assist with the design of the proposed grain handling facility and to represent the needs of the Eyre Peninsula agricultural industry.

The port will be justified and built based on the success of our magnetite exploration joint ventures. However, once constructed, the port will be available, on third party commercial terms, to other users, including for Centrex's own Wilgerup hematite DSO exports.

4. PRODUCTION ACTIVITIES

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

5. CAPITAL

The Company had the following securities on issue as at 30 September 2011:

Ordinary Shares	313,600,904
2012 CXM Exec Options (expiring 30 Jun 2012, exercisable at \$0.42)	1,682,000
2014 CXM Exec Options (expiring 30 Jun 2014 exercisable at \$0.42)	750,000

During the quarter, the Company issued 435,640 fully paid ordinary shares to employees pursuant to the Centrex Metals Limited Incentive Rights Plan. The shares were issued at no cost to the employees.

6. FINANCIAL

6.1 Cash at end of Quarter

Cash at 30 September 2011 was **A\$81,669,360**.

Attached is the Appendix 5B Statement of Cash flows for the period from 1st July 2011 to 30th September 2011.

For further information, please contact Jim White at Centrex Metals Limited on (08) 8100 2200.



Jim White
Managing Director
Centrex Metals Limited

The information in this report relating to Exploration Results for Centrex Metals Limited is based on information compiled by Mr Alastair Watts who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Watts is a geologist and Exploration Manager of Centrex Metals Limited. Mr Watts 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 Watts consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Exploration Results for Eyre Iron Pty Ltd is based on information compiled by Mr Ben Hammond who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Hammond is a geologist employed by Centrex Metals Limited and is the Chief Operating Officer of Eyre Iron Pty Ltd. Mr Hammond 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 Hammond consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

(2)The information in this report relating to Mineral Resources is based on and accurately reflects information compiled by Mr Alan Miller of Golder Associates who is a consultant and adviser to Eyre Iron Pty Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Miller 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 Miller consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

(3)The information in this report relating to Mineral Resources and current Exploration Targets is based on and accurately reflects information compiled by Mr Alex Virisheff of Coffey Mining Limited who is a consultant and adviser to Eyre Iron Pty Ltd and who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Virisheff 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 Virisheff consents to the inclusion in the report of the matters based on his information in the form and context in which it appear.

(4)The Exploration Targets quantities and grades presented are conceptual in nature, as there has been insufficient exploration to define an overall Mineral Resource and it is uncertain if further exploration will result in the determination of additional Minerals Resources other than those stated.

Appendix 5B

Rule 5.3

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 2011

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	7	7
1.2 Payments for (a) exploration and evaluation	(87)	(87)
(b) development	-	-
(c) production	-	-
(d) administration	(1,345)	(1,345)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	506	506
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid) refund	(3)	(3)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(922)	(922)
Cash flows related to investing activities		
1.8 Payment for purchase of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	(10)	(10)
1.9 Proceeds from sale of: (a) prospects	26,000	26,000
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	(525)	(525)
1.11 Loans repaid by other entities	528	528
1.12 Other (Stamp duty paid on WISCO transaction. Amount is receivable from WISCO if the inferred resource milestone targets are met)	-	-
Net investing cash flows	25,993	25,993
1.13 Total operating and investing cash flows (carried forward)	25,071	25,071

+ See chapter 19 for defined terms.

1.13	Total operating and investing cash flows (brought forward)	25,071	25,071
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	-
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	-	-
	Net increase (decrease) in cash held	25,071	25,071
1.20	Cash at beginning of quarter/year to date	56,598	56,598
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	81,669	81,669

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	283
1.24	Aggregate amount of loans to the parties included in item 1.10	525

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).	\$235
Asiasphere Pty Ltd (consultant director)	\$18
Wugang Australian Resources Investment P/L (consultant director)	\$15
Bynoe Investments Pty Ltd (consultant director)	\$15

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	791
4.2 Development	-
4.3 Administration	1,735
Total	2,526

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	1,141	561
5.2 Deposits at call	42,087	56,037
5.3 Bank overdraft		
5.4 Other (term deposits with maturity > 90 days)	38,441	
Total: cash at end of quarter (item 1.22)	81,669	56,598

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	313,600,904	313,600,904		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs (c) End of restriction period	435,640	435,640	\$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>	① 2012 Employ ② 2014 Employ <u>Period end balance:</u> ① 1,682,000 ② 750,00	Expiring 30/06/12 Expiring 30/06/14	\$0.42 \$0.42	
7.8 Issued during quarter	① - ② -	① - ② -		

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	1 2	-	1 2	-		
7.10	Expired during quarter	1 2	-	1 2	-		
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: 31 October 2011
(Company Secretary)

Print name: Ms Alison Evans

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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