



FOR IMMEDIATE RELEASE

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General Manager
The Company Announcements Office
Australian Stock Exchange

Dear Sir

BUNGALOW MAGNETITE DEPOSIT – DRILLING RESULTS

Highlights

- **Centrex Metals has received assay results from the recent diamond drilling program at the Company's Bungalow magnetite deposit on the Eyre Peninsula of South Australia.**
- **Results have confirmed the interpreted diamond drilling intersections of a broad magnetite zone of approximately 80m true width.**
- **Individual down hole intercepts of up to 200m indicate that mineralization is open at depth.**

Diamond Drilling Satmagan and XRF results

The Bungalow magnetite deposit is located 9 kilometres north of Cowell on the east coast of Eyre Peninsula. Bungalow has the potential to support a long-life 3-5Mtpa magnetite concentrate operation and the recent drilling heralds the commencement of a systematic resource evaluation of the deposit.

A 4 hole diamond drill program was completed in March 2007. The drill program targeted the southern extent of the Bungalow deposit and specifically the potential for 3 separate magnetite zones to coalesce with associated structural thickening of the mineralisation. Three of the diamond holes intersected magnetite mineralisation.

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 %	SiO ₂ %	Al ₂ O ₃ %
BUDD007	99.7	114	14.3	28.9	29.5	0.052	51.9	1.8
BUDD007	160	178	18.4	32.4	31.6	0.045	45.9	3.2
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 over the coming weeks. 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% SiO₂. The recent drilling supports this assessment of tonnage potential.

Lithological logging has interpreted the mineralisation to be 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).

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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 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 appear.