

FOR IMMEDIATE RELEASE

8 August 2007

General Manager
 The Company Announcements Office
 Australian Stock Exchange

Dear Sir

WILGERUP NORTH HEMATITE POD RESERVE

Highlights

Wilgerup North Hematite Pod Ore Reserve Estimate (55% Fe cut-off grade, 7 August 2007)									
Ore Reserve Classification	Tonnes (million)	% Fe	% SiO₂	% Al₂O₃	% LOI	% P	% CaO	% Mn	
Proved	Nil								
Probable	7.6	59.9	3.3	2.3	4.9	0.46	1.4	0.7	
Total	7.6	59.9	3.3	2.3	4.9	0.46	1.4	0.7	

- **The Reserve Estimate of 7.6 million tonnes is based on the previously reported Indicated Resource of 8.0 million tonnes.**
- **Infill drilling of the Wilgerup North Hematite Pod and a number of local residual gravity anomalies is in progress.**

Centrex Metals Limited ("Centrex") is pleased to announce the Indicated Reserve for the Wilgerup North Hematite Pod at 7.6 million tonnes grading an average of 59.9% Fe. The Reserve Estimate was undertaken by Snowden Mining Industry Consultants ("Snowden") using the Snowden prepared Wilgerup North Hematite Pod resource model as the basis for the estimation.

The following summary is taken directly from the Snowden report dated 7th August 2007:

1 INTRODUCTION

The Wilgerup exploration license (EL3317) is located on farmland approximately 200 km southwest of Whyalla on the central Eyre Peninsula of South Australia. Iron oxide mineralisation is concealed beneath cover of approximately 20 m of unconsolidated Tertiary sand. The mineralisation comprises massive hematite from which a Mineral Resource was estimated. The Mineral Resource includes, in part, approximately 8 million tonnes of Indicated classified material at a grade of 59.8% Fe. The complete classified resource, as defined in April 2007 and split by material types is tabulated below:

Wilgerup North Hematite Pod Mineral Resource Estimate – Massive hematite reported above a 55% Fe cut-off

Facies	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

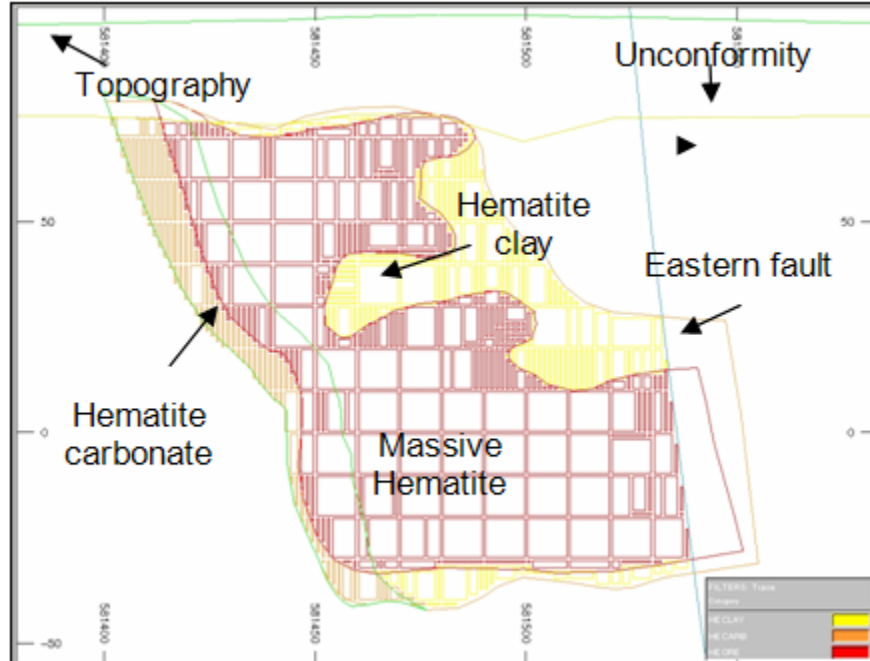
Wilgerup North Hematite Pod Mineral Resource Estimate – Hematite clay and hematite carbonate reported above a 45% Fe cut-off

Facies	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

The 1.1 million tonnes of Inferred massive hematite material is currently subject to infill RC drilling and this may upgrade to an Indicated resource classification pending geostatistical analysis.

Figure 1.1 shows the relative locations of material types found in the resource block model. Indicated material is only found in the massive hematite.

Figure 1.1 Cross section 6267340 mN - Wilgerup North Hematite Pod block model



Snowden has, on behalf of Centrex, prepared an Ore Reserve estimate and this is reported in accordance with the guidelines set out in the JORC Code (2004). Mining parameters for developing this estimate have been derived from studies and cost estimates prepared for Centrex by Snowden and from other technical criteria prepared by secondary consultants to Centrex, other than Snowden.

In preparing this Ore Reserve estimate Snowden has used a resource block model prepared for the Wilgerup North Resource Estimate (Snowden, April 2007), and which formed the basis of the Mineral Resource estimate presented in that study.

2 ORE RESERVE ESTIMATE

The Ore Reserve estimate was derived from the Mineral Resource estimate (Snowden, April 2007), The Mineral Resource estimate was modified to account for:

- economic criteria
- ore loss considerations
- considerations of mining methods, continuity and practical mining widths

Table 2.1 provides the Ore Reserve estimate, whilst Table 2.2 presents assessment and reporting criteria, as recommended to be considered by the competent person in disclosing Ore Reserve estimates.

Table 2.1 Wilgerup North Hematite Pod Ore Reserve Estimate

Wilgerup North Hematite Pod Ore Inventory (55% Fe cut-off grade), 1 August 2007								
Ore Reserve classification	Millions of Tonnes	% Fe	% SiO₂	% Al₂O₃	% LOI	% P	% CaO	% Mn
Proved	Nil	-						
Probable	7.6	59.9	3.3	2.3	4.9	0.46	1.4	0.7
Total	7.6	59.9	3.3	2.3	4.9	0.46	1.4	0.7

Table 2.2 Wilgerup North Hematite Pod Ore Reserve Assessment Criteria

Ore Reserve Estimate ASSESSMENT AND REPORTING CRITERIA (JORC 2004)		
CRITERIA	SNOWDEN'S ASSESSMENT OF RISK	EXPLANATION
Mineral resource estimate for conversion to Ore Reserves	Low	<i>The Mineral Resource estimate that forms the basis of the Ore Reserve estimate was estimated by Snowden on behalf of Centrex in April 2007 and is classified no better than Indicated category. Only Indicated resources have been considered for estimation of the reserve.</i> <i>Mineral resource estimates are inclusive of the Ore Reserves.</i>
Study Status	Medium	<i>Snowden completed technical mine planning work as part of the Ore reserve estimate for Wilgerup North, completed in July 2007.</i> <i>Sensitivity analyses, strategic scheduling and detailed pit designs were completed based on the Mineral Resource current at the time.</i> <i>The Ore Reserve was reported using the April 2007 resource models.</i>
Cut-off grades or parameters	Low	<i>A constant cut-off grade was applied to the deposit. Revenue generated from the mineral assemblage and costs associated with mining and processing were taken into account in determining the cut-off parameters.</i>
Mining factors or assumptions	Low	<i>The mining method proposed by Snowden incorporates conventional drill, blast, load and haul operations using semi-selective mining equipment of 100 tonne capacity excavator supported by 85t capacity trucks. The excavation bench height used was approximately 5m in height. Pit excavation wall angles were estimated by Snowden geotechnical engineers and are considered by Snowden to be conservative. The top 30m of the excavation will comprise unconsolidated waste and an overall wall angle 35 degrees</i>

Ore Reserve Estimate ASSESSMENT AND REPORTING CRITERIA (JORC 2004)		
CRITERIA	SNOWDEN'S ASSESSMENT OF RISK	EXPLANATION
		<p>was used. The overall wall angle used in competent waste rock was 50 degrees and 60 degrees was used in the massive hematite. Mining costs developed by Snowden were based on mining contractor "owned and operated" costs, and an appropriate mining fleet was assumed.</p> <p>Gemcom's Whittle 4X software was used to determine optimum economic pit limits. Staged cutbacks were selected based on maximising project value, optimising waste extraction and providing an in-pit destination for waste in stages mined to limits.</p> <p>Appropriate levels of ore loss for the proposed mining method were included in the Ore Reserve estimate. Dilution was assessed and lower grade material outside the ore envelope is sufficient to not significantly dilute the material inside the envelope. Internal waste is minimal.</p> <p>In respect of other mining costs, Snowden considered there to be adequate provision for grade control and pre-production drilling in the costs supplied by Centrex. Rehabilitation costs were considered. Other ore processing costs include crushing, screening, rail loading and transport, stevedoring and wharfage at Port Lincoln were also considered.</p> <p>In addition, a preliminary assessment of dewatering requirements ahead of mining was undertaken by Centrex. This was assumed to be an establishment cost.</p>
<i>Metallurgical factors or assumptions</i>	<i>Moderate</i>	<p>Processing includes crushing, screening and transportation to Port Lincoln. Iron ore pricing is based on grade brackets above 58% Fe and within the following tolerances.</p> <p>SiO₂ 3% - 5% Al₂O₃ 2% - 3.5% LOI 4% - 6% P 0.4% - 0.7%</p> <p>All iron ore prices were provided by Centrex</p>
<i>Cost and revenue factors</i>	<i>Moderate</i>	<p>Snowden developed the mining fleet based on production rates of 1 to 2 Mtpa. Mine operating costs were estimated by Snowden based upon a contract operator scenario.</p> <p>The processing, transport, rehabilitation and selling costs were supplied by Centrex. Snowden has not undertaken a review of these costs. The royalties attracted by producing a mineral product were supplied by Centrex.</p>
<i>Market assessment</i>	<i>High</i>	<p>Market supply and demand projections were made by Centrex and realised average iron ore price forecast supplied to Snowden by Centrex.</p> <p>Snowden recognises the project is sensitive to fluctuations in the mineral price hence considers this to be a significant risk to the stated reserve and the project economics.</p>
<i>Others</i>	<i>Med</i>	<p>Centrex advised Snowden that no known significant impediment to mining exists. Work including resource and reserve estimation has been completed on exploration license EL3317. For the South Australian mining approvals processes, when a mineral deposit is found and reserve estimated, the next step is to apply for Mineral Leases as a precursor to applying for a Mining Lease. Centrex will use the general arrangement diagrams supplied by Snowden to apply for the Mineral Leases. This will take place in mid-late August 2007.</p> <p>Centrex has called for engineering and environmental consultants to tender for a comprehensive scope of works that includes all environmental and other studies needed to take the Wilgerup project from its current state to a fully permitted operation. The tender process is underway and it is expected that Centrex will appoint the preferred consultancy during August 2007.</p>
<i>Classification</i>	<i>Low</i>	<p>The classification of a Probable Ore Reserve was based on the Mineral Resource confidence category of Indicated. Mining factors/assumptions are commensurate with these levels of</p>

Ore Reserve Estimate ASSESSMENT AND REPORTING CRITERIA (JORC 2004)		
CRITERIA	SNOWDEN'S ASSESSMENT OF RISK	EXPLANATION
		<i>confidence.</i>
<i>Audits or reviews</i>	<i>Low</i>	<i>The Ore Reserve estimate was reviewed internally by Snowden. The Ore Reserve estimate has not been subject to an external audit.</i>

Competent Person statements

Snowden prepared the Wilgerup North Hematite Pod resource model from April 2007. This resource model was used as the basis for the Wilgerup North Hematite Pod Ore Reserve Estimate. Snowden produced mining costs, staged pit designs and a production schedule and applied appropriate modifying factors for use in estimating the Ore Reserve. Centrex was responsible for all other inputs and inputs to the cashflow model and is responsible for the final cashflow analysis. The Competent Person reviewed the underlying assumptions used in estimating the Ore Reserve and regards them as appropriate. The Ore Reserves are reported according to the JORC Code (JORC, 2004). The Competent Person is Mr Frank Blanchfield (for reporting of Ore Reserves). Mr Frank Blanchfield is an employee of Snowden and has sufficient experience in mining and Ore Reserve estimation that is relevant to the style of mineralisation, type of deposit and mining methods under consideration. Snowden and Frank Blanchfield consider him to be a Competent Person as defined in the "Australasian Code for Reporting of Mineral Resources and Ore Reserves – The JORC Code, 2004 Edition". He is a Member of the Australasian Institute of Mining and Metallurgy and has consented to the use of his name and approved the technical information contained in this News Release in the form and context in which it appears.

Centrex acknowledges that it endorses the metallurgical factors and production assumptions, ore processing cost estimates, ore transport and selling costs, environmental factors, mineral pricing, market supply and demand projections, infrastructure costs, project capital estimates and the positive cashflow projections.

This release was 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 appears.

For further information please contact:

Gerard Anderson
Managing Director
Centrex Metals Limited
Ph (08) 8232 0400

or

Mr Duncan Gordon
Investor Relations
Centrex Metals Limited
Ph. 0404 006 444