



Wednesday 5 December 2007

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam

ONE FOR FIVE RENOUNCEABLE RIGHTS ISSUE

HIGHLIGHTS

- 1 for 5 Renounceable Rights Issue at 40 cents per share to raise \$17.32 million
- Issue available to all registered holders of Centrex shares holding as at the record date of 31st December 2007

RIGHTS ISSUE DETAILS

The Board of Centrex Metals Limited (CXM) is pleased to announce details of a Renounceable Rights Issue to be made available to shareholders to raise a total of up to approximately \$17.32 million (before costs), through the issue of up to approximately 43.3 million new fully paid ordinary shares in CXM at an issue price of 40 cents per share. Capital raised via this issue will take the Company through to completion of final feasibility studies and contribute towards projected capital expenditure at the Wilgerup hematite project.

After an extensive review of the Wilgerup financing options available to Centrex, the Directors of the Company have determined it is appropriate that all shareholders have the opportunity to participate in the future of Centrex via the path of a Rights Issue.

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Centrex Metals Limited ABN: 97 096 298 752



Shareholders will be given the opportunity to subscribe for shares pursuant to the issue on the basis of one (1) share for every five (5) shares held at 5.00 p.m. CST on the record date of 31st December 2007 at an issue price of 40 cents per share. In addition, investors who wish to take part in the Rights Issue who are not currently Centrex shareholders may either purchase Centrex shares prior to the ex entitlement date or may purchase the Rights on-market during the offer open period.

Only CXM shareholders whose registered address is in Australia will be eligible to participate.

The Directors confirm there is currently no information to be disclosed which is excluded information (as defined in section 708AA(8) of the Corporations Act) that is reasonable for investors and their professional investors to expect to find in a disclosure document. It is not expected that the Rights Issue will be underwritten, however the Directors reserve the right to place any shortfall.

Further details in relation to the Rights Issue timetable, including the proposed ASX code of the traded rights, will be sent to all shareholders as soon as they become available.

USE OF FUNDS

The net proceeds from the Rights Issue will be used for the following purposes:

- Finalisation of detailed engineering studies to support mine development planning at Wilgerup.
- Contribution toward costs of 'long lead items' in relation to mining and product shipment from Wilgerup.
- The purchase of the underlying property at Wilgerup to streamline the commencement of mining.

Please find attached the Appendix 3B application for the issue of a maximum of 43,299,904 Ordinary Shares (subject to any options being exercised) resulting from Renounceable Rights Issue available to all registered holders of Centrex Metals Limited ordinary shares as at the record date of 31st December 2007.

For further information please contact:

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or

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CENTREX METALS
LIMITED

About the Wilgerup Project

The Wilgerup hematite deposit is situated 30 kms south east of Lock in Central Eyre Peninsula, South Australia. Since September 2006, over 16,000 metres of close spaced reverse circulation drilling (80m x 20m with selected 40m x 20m spaced drilling) has been completed.

The Company has commenced an engineering pre-feasibility study looking at port options and commenced a mine feasibility study into the establishment of a 2Mtpa mining and exporting operation based on an Indicated Resource of 8.0Mt of massive hematite grading 59.8% Fe for the North Hematite Pod. The North Hematite Pod also hosts an Inferred Resource of 1.1Mt grading 59.5% Fe. No resource estimate was completed for the South Hematite Pod.

Drilling in the South Hematite Pod area in 2006 was inconclusive with follow-up studies indicating that the previous drilling did not adequately outline areas of potential mineralisation. The South Hematite Pod has previously estimated to contain an Inferred Resource of 1.77Mt of low phosphorus (0.05% P) hematite @ 61% Fe (CXM Prospectus pp 24-26).

Centrex has binding Heads of Agreements with Shenyang Orient Iron & Steel Co., Ltd and Baotou Iron & Steel Co., for the sale of 1 million tonnes of hematite to each company per year for a period of 5 years at a price equivalent to the prevailing long-term benchmark price.

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Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 1/7/96. Origin: Appendix 5. Amended 1/7/98, 1/9/99, 1/7/2000, 30/9/2001, 11/3/2002, 1/1/2003, 24/10/2005.

Name of entity

CENTREX METALS LIMITED

ABN

97 096 298 752

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- | | | |
|---|--|--|
| 1 | +Class of +securities issued or to be issued | Ordinary |
| 2 | Number of +securities issued or to be issued (if known) or maximum number which may be issued | Up to a maximum of 43,299,904 (subject to the exercise of any options prior to 31 December 2007) |
| 3 | Principal terms of the +securities (eg, if options, exercise price and expiry date; if partly paid +securities, the amount outstanding and due dates for payment; if +convertible securities, the conversion price and dates for conversion) | Fully paid Ordinary Shares |

+ See chapter 19 for defined terms.

<p>4 Do the +securities rank equally in all respects from the date of allotment with an existing +class of quoted +securities?</p> <p>If the additional securities do not rank equally, please state:</p> <ul style="list-style-type: none"> • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment 	<p style="text-align: center;">Yes</p>						
<p>5 Issue price or consideration</p>	<p style="text-align: center;">\$0.40</p>						
<p>6 Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)</p>	<p style="text-align: center;">Pursuant to a 1 for 5 pro-rata Renounceable Rights Issue.</p>						
<p>7 Dates of entering +securities into uncertificated holdings or despatch of certificates</p>	<p style="text-align: center;">To be advised</p>						
<p>8 Number and +class of all +securities quoted on ASX (including the securities in clause 2 if applicable)</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%; text-align: center;">Number</th> <th style="width: 50%; text-align: center;">+Class</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">142,189,233</td> <td style="text-align: center;">Ordinary</td> </tr> <tr> <td style="text-align: center;">15,647,945</td> <td style="text-align: center;">Class A 2008 Options exercisable at \$0.20 expiring on 31 December 2008</td> </tr> </tbody> </table>	Number	+Class	142,189,233	Ordinary	15,647,945	Class A 2008 Options exercisable at \$0.20 expiring on 31 December 2008
Number	+Class						
142,189,233	Ordinary						
15,647,945	Class A 2008 Options exercisable at \$0.20 expiring on 31 December 2008						

+ See chapter 19 for defined terms.

	Number	+Class
9	Number and +class of all +securities not quoted on ASX (including the securities in clause 2 if applicable)	117,610,195 Ordinary 41,399,288 2008 A Class Options exercisable at \$0.20 expiring on 31 December 2008
10	Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)	

Part 2 - Bonus issue or pro rata issue

11	Is security holder approval required?	No
12	Is the issue renounceable or non-renounceable?	Renounceable
13	Ratio in which the +securities will be offered	1 for 5
14	+Class of +securities to which the offer relates	Ordinary Shares
15	+Record date to determine entitlements	31 December 2007
16	Will holdings on different registers (or subregisters) be aggregated for calculating entitlements?	n/a
17	Policy for deciding entitlements in relation to fractions	Rounded down to the next whole number of shares
18	Names of countries in which the entity has +security holders who will not be sent new issue documents <small>Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7.</small>	Only shareholders with a registered address in Australia are eligible to participate.
19	Closing date for receipt of acceptances or renunciations	To be advised

+ See chapter 19 for defined terms.

20	Names of any underwriters	n/a
21	Amount of any underwriting fee or commission	n/a
22	Names of any brokers to the issue	n/a
23	Fee or commission payable to the broker to the issue	n/a
24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of +security holders	n/a
25	If the issue is contingent on +security holders' approval, the date of the meeting	n/a
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled	To be advised
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders	To be advised
28	Date rights trading will begin (if applicable)	n/a
29	Date rights trading will end (if applicable)	n/a
30	How do +security holders sell their entitlements <i>in full</i> through a broker?	n/a
31	How do +security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?	n/a

+ See chapter 19 for defined terms.

- 32 How do ⁺security holders dispose of their entitlements (except by sale through a broker)?
- 33 ⁺Despatch date

Part 3 - Quotation of securities

You need only complete this section if you are applying for quotation of securities

- 34 Type of securities
(tick one)
- (a) Securities described in Part 1
- (b) All other securities
Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities

Entities that have ticked box 34(a)

Additional securities forming a new class of securities

Tick to indicate you are providing the information or documents

- 35 If the ⁺securities are ⁺equity securities, the names of the 20 largest holders of the additional ⁺securities, and the number and percentage of additional ⁺securities held by those holders
- 36 If the ⁺securities are ⁺equity securities, a distribution schedule of the additional ⁺securities setting out the number of holders in the categories
1 - 1,000
1,001 - 5,000
5,001 - 10,000
10,001 - 100,000
100,001 and over
- 37 A copy of any trust deed for the additional ⁺securities

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)

38 Number of securities for which
+quotation is sought

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39 Class of +securities for which
quotation is sought

--

40 Do the +securities rank equally in all
respects from the date of allotment
with an existing +class of quoted
+securities?

If the additional securities do not
rank equally, please state:

- the date from which they do
- the extent to which they
participate for the next dividend,
(in the case of a trust,
distribution) or interest payment
- the extent to which they do not
rank equally, other than in
relation to the next dividend,
distribution or interest payment

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41 Reason for request for quotation
now

Example: In the case of restricted securities, end of
restriction period

(if issued upon conversion of
another security, clearly identify that
other security)

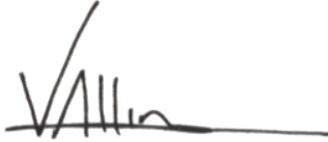
--

	Number	+Class
42 Number and +class of all +securities quoted on ASX (<i>including</i> the securities in clause 38)		

+ See chapter 19 for defined terms.

Quotation agreement

- 1 +Quotation of our additional +securities is in ASX's absolute discretion. ASX may quote the +securities on any conditions it decides.
- 2 We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the +securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.
Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty
 - Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any +securities to be quoted and that no-one has any right to return any +securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the +securities be quoted.
 - If we are a trust, we warrant that no person has the right to return the +securities to be quoted under section 1019B of the Corporations Act at the time that we request that the +securities be quoted.
- 3 We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- 4 We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before +quotation of the +securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here:  Date: 4 December 2007
(Company secretary)

Print name: Victoria Allinson
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+ See chapter 19 for defined terms.