



CENTREX METALS
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FOR IMMEDIATE RELEASE

12th March 2008

General Manager
The Company Announcements Office
Australian Stock Exchange

Dear Sir

BUNGALOW MAGNETITE JOINT VENTURE - UPDATE

Centrex Metals Limited ("Centrex") is pleased to announce that delegates from Baotou Iron & Steel Co., Ltd ("Baotou") will visit Adelaide in the week commencing 17th March for the purpose of finalising documentation in relation to the Bungalow Magnetite Joint Venture. The discussions and joint venture preparations are expected to take two weeks to complete.

Baotou has previously advised Centrex that the second stage of approvals which requires authorisation from the Chinese government (specifically from the National Administration of Foreign Exchange of the People's Republic of China, for project permitting and funds followed by the Ministry of Commerce for approvals to set up an Australian subsidiary) has been delayed due to the Chinese Spring Festival holidays. At Baotou's request Centrex has extended the date for such approvals to 31 March 2008.

The Bungalow Magnetite Joint Venture requires Baotou to pay Centrex up to A\$40 million to cover the costs of all activities required to complete exploration and resource drilling and a Bankable Feasibility Study covering development of the magnetite deposit. By contributing A\$40 million, Baotou will earn a 50% interest in the Joint Venture and have the right to take 50% of the expected 3 million tonnes of magnetite concentrate produced per year over a potential mine life exceeding 30 years.

The Bungalow / Minbrie Magnetite Deposit

The Bungalow / Minbrie ("Bungalow") magnetite deposit is located 9 kilometres north of Cowell on the east coast of Eyre Peninsula, South Australia.

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, 0.03% Al₂O₃ and 0.01% P.

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