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FOR IMMEDIATE RELEASE

1st September 2008

General Manager
The Company Announcements Office
Australian Securities Exchange

Dear Sir/Madam,

**Purchase Of Land Covering the Company's
Carrow Magnetite Project**

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- **Centrex Metals Limited (“the Company”) has purchased approximately 3,300 acres of farm land in the Port Neill area, which covers the majority of the Company’s Carrow magnetite project.**
 - **The decision to purchase the land reflects the Company’s belief that the Carrow magnetite deposit is an outstanding future mining opportunity for the Company.**
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The Company is pleased to advise it has purchased a property north of Port Neill which covers the majority of the Carrow magnetite deposit. The freehold land is approximately 3,300 acres and is currently used for farming.

The Carrow magnetite deposit is a 2km long intense NE-SW aeromagnetic anomaly located 6km NNW of Port Neill. The project has the potential to support a 3-5Mtpa magnetite concentrate operation and is ideally located to take advantage of the Company’s medium-term strategy to develop a deep water multi-user port facility in the Tumby Bay district.

The Company intends to commence resource definition drilling later in the year with the aim of increasing the Inferred Resource of 52Mt @ 31.2% Davis Tube Recovery (DTR).

The Carrow magnetite deposit consists of a strongly banded quartz magnetite ± carbonate / iron silicate BIF with coarse magnetite crystals (75 – 100micron in size) resulting from recrystallization during metamorphism and granite intrusion. Metallurgical tests show Carrow can produce premium grade, low impurity concentrates grading 69.12% Fe and 2.51% SiO₂ (Company Prospectus pages 42–46).

The Company is also in negotiations with potential joint venture partners to jointly explore and develop the Carrow magnetite deposit as well as other prospective magnetite projects on the Eyre Peninsula.



For further information:

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