

**FOR IMMEDIATE RELEASE**

17 July 2008

 General Manager  
 The Company Announcements Office  
 Australian Securities Exchange

Dear Sir

**INCREASE IN WILGERUP INDICATED MINERAL RESOURCE**

Centrex Metals Limited ("Centrex") is pleased to announce a significant increase in the Company's Indicated Mineral Resource at the Wilgerup Hematite Deposit located 30 kilometers southeast of Lock on the Eyre Peninsula of South Australia. The Resource estimate was carried out by Snowden Mining Industry Consultants ("Snowden") and reported in accordance with the JORC 2004 guidelines.

**Highlights**

- Updated Indicated Mineral Resource for the Wilgerup North Project compiled in accordance with the JORC 2004 guidelines shows a tonnage increase from 8.0 Mt to 13.2 Mt.

**Summary**

The Indicated and Inferred Resources are as follows:

Indicated Resource							
Ore Type	Fe% cut-off	Tonnage (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	P %
Massive Hematite	55	10.4	59.7	3.6	2.3	4.6	0.49
Hematite Carbonate	45	0.6	49.9	6.8	3.7	7.9	0.63
Hematite Clay	45	2.2	49.9	10.5	4.8	6.9	0.54
<b>Total</b>		<b>13.2</b>	<b>57.7</b>	<b>4.9</b>	<b>2.8</b>	<b>5.1</b>	<b>0.50</b>

Inferred Resource							
Ore Type	Fe% cut-off	Tonnage (Mt)	Fe %	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	LOI %	P %
Massive Hematite	55	0.5	58.7	4.1	2.4	4.2	0.50
Hematite Carbonate	45	0.1	49.9	6.4	2.8	8.2	0.53
Hematite Clay	45	0.15	50.3	9.8	3.3	6.4	0.64
<b>Total</b>		<b>0.75</b>	<b>56.0</b>	<b>5.5</b>	<b>2.6</b>	<b>5.1</b>	<b>0.53</b>

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## Background

A resource and reserve estimate was conducted for Wilgerup North by Snowden in 2007.

On April 11<sup>th</sup> 2007, Centrex announced an Indicated Resource of 8.0 Mt of massive hematite, plus an Inferred resource of 4.3 Mt that comprised 1.1 Mt of massive hematite, 2.1 Mt of hematite clay and 1.1 Mt of hematite carbonate.

On 8<sup>th</sup> August 2007 Centrex announced a 7.6 Mt Probable Reserve for Wilgerup North.

Since June 2007 an additional 82 drill holes have been completed from three separate reverse circulation drilling campaigns at Wilgerup North. The drilling primarily targeted the Inferred areas of the deposit and extensions of mineralisation to the north, east and at depth. This has led to an increase in confidence in the massive hematite, hematite clay and hematite carbonate units that has subsequently led to an increase in the Indicated Resource base at Wilgerup North.

## Geology

The local geology consists of approximately 25 m of loosely consolidated tertiary sands/silts and clay covering the paleo-proterozoic host rocks that host iron mineralisation. Silcrete and calcrete occurs sporadically in the top 2 m to 6 m horizon however it is expected that potential mining will benefit from minimal drill and blast costs through the tertiary overburden.

The host rocks have undergone high grade metamorphism and deformation which has resulted in broad open folding to the south that progressively tightens towards the north. A significant fault running along the eastern contact is thought to have contributed to the development of the hematite mineralisation and closes the mineralisation along this boundary.

The overall dimensions of the mineralisation equate to an approximately 900 m strike length by 60 m to 100 m wide deposit. High grade intervals that were intersected range from 10 m to 100 m in thickness and average 35 m.

The massive hematite is encompassed in places by a halo of variably mineralised "hematite clay". This facies often consists of fine hematite and remnant silica BIF resulting in a lower grade material from 45 – 55 %Fe.

The massive hematite stratigraphically overlies a hematite carbonate unit which grades vertically into barren dolomite along the western footwall contact. The hematite carbonate facies consists of massive and finely banded hematite with relict fine bands of silica/carbonate and secondary carbonate veining. The hematite carbonate generally grades 45-55 %Fe.

The geological interpretation of the massive hematite is displayed in Figure 1 and a typical cross section through the hematite mineralisation is illustrated in Figure 2.

Figure 1: Wilgerup North Pod long section (looking west) of the geological interpretation of the massive hematite.

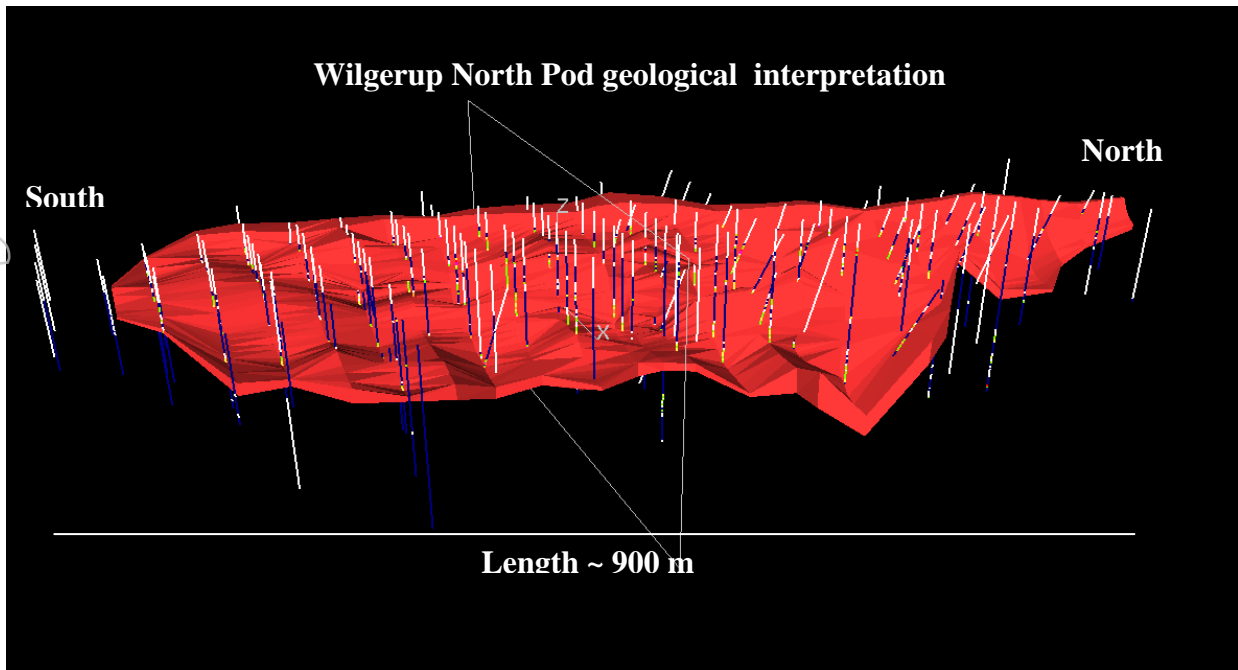
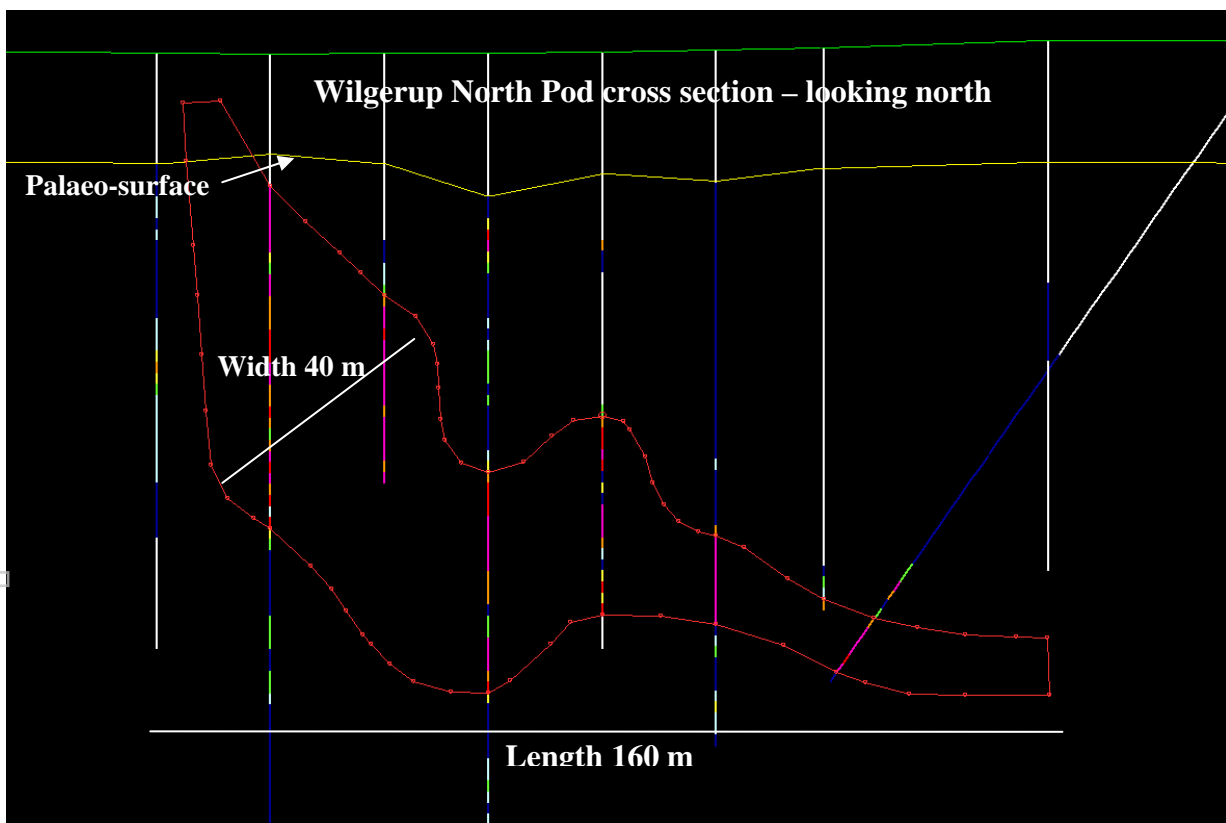


Figure 2: Wilgerup North Pod cross section (looking north) indicating the outline of massive hematite.



## Resource Methodology

Snowden Mining Industry Consultants (Snowden) has, on behalf of Centrex Metals Limited (Centrex), undertaken a Mineral Resource Estimate for the Wilgerup North iron deposit. The Wilgerup exploration license is located in the central Eyre Peninsula district of South Australia.

A reverse circulation and diamond drilling program was conducted by Centrex from 2006 to 2008 and has confirmed hematite mineralisation. This drilling data forms the basis of the resource estimate. Three mineralised facies were identified at Wilgerup North including a massive hematite facies, hematite carbonate facies and a hematite clay facies that were modelled separately. These three units were identified based on lithologic and geochemical data.

Centrex provided Snowden with the data and geological interpretations used as the basis for the estimates. Snowden has reviewed the drilling and sampling data underlying the resource estimate and, following suitable adjustments, can verify that the data is of sufficient quality to support the resource classifications. Snowden has not undertaken a site visit as part of the estimation process.

Mineralisation within the massive hematite facies was interpreted for estimation purposes using a nominal 55 %Fe cut-off whilst a nominal 45 %Fe cut-off was used for the hematite clay and hematite carbonate facies in conjunction with geological information. The interpretation of the mineralisation boundaries for each facies was constrained within the limits of the drillhole data. Variography was conducted within the massive hematite facies based on the quantity of samples available and continuity of data. The block model that was generated was based on a parent block size that is appropriate for the mineralisation continuity and current drillhole spacing.

Snowden used ordinary block kriging to estimate Fe, SiO<sub>2</sub>, Al<sub>2</sub>O<sub>3</sub>, P, LOI, CaO, MgO, Mn, S, TiO<sub>2</sub> and Na<sub>2</sub>O into a constrained block model reflecting the interpreted facies. Where appropriate, top-cuts were applied to some of the elements estimated. The search ranges for the estimation were based on the maximum ranges of mineralisation continuity as modelled from the variography. The variogram parameters derived from the massive hematite facies were used to estimate all three facies.

## Resource Statement

The resource has been classified into Indicated and Inferred categories in accordance with the 2004 JORC Code. The resource classification is based upon a number of criteria including the geological confidence, the integrity of data, the spatial continuity of mineralisation and the quality of the estimation.

The Mineral Resource has been reported above a block model cut-off grade of 55 %Fe within the massive hematite facies and above a cut-off of 45 %Fe for the hematite clay and hematite carbonate facies as these units may have additional metallurgical processing requirements.

Centrex supplied Snowden with sales agreements for the hematite clay and hematite carbonate mineralisation that confirm their potential economic viability at a 45 %Fe cut-off.

Within the massive hematite facies, the Indicated Resource totals 10.4 Mt at grades of 59.7 %Fe, 3.6 %SiO<sub>2</sub>, 2.3 %Al<sub>2</sub>O<sub>3</sub> and 0.49 %P at a cut-off of 55 %Fe. The Inferred Resource within this facies totals 0.5 Mt at a grade of 58.7 %Fe, 4.1 %SiO<sub>2</sub>, 2.4 %Al<sub>2</sub>O<sub>3</sub> and 0.50 %P.

The hematite clay Indicated Resource totals 2.2 Mt at grades of 49.9 %Fe, 10.5 %SiO<sub>2</sub>, 4.8 %Al<sub>2</sub>O<sub>3</sub> and 0.54 %P at a cut-off of 45 %Fe. The Inferred Resource within this facies totals 0.15 Mt at a grade of 50.3 %Fe, 9.8 %SiO<sub>2</sub>, 3.3 %Al<sub>2</sub>O<sub>3</sub> and 0.64 %P at the same reporting cut-off.

The hematite carbonate Indicated Resource totals 0.6 Mt at grades of 49.9 %Fe, 6.8 %SiO<sub>2</sub>, 3.7 %Al<sub>2</sub>O<sub>3</sub> and 0.63 %P at a cut-off of 45 %Fe. The Inferred Resource within this facies totals 0.1 Mt at a grade of 49.9 %Fe, 6.4 %SiO<sub>2</sub>, 2.8 %Al<sub>2</sub>O<sub>3</sub> and 0.53 %P at the same reporting cut-off.

An average in-situ density of 3.3 t/m<sup>3</sup> was used for the massive hematite domain, 2.5 t/m<sup>3</sup> for the hematite clay domain and 2.9 t/m<sup>3</sup> for the hematite carbonate domain. These densities were supplied by Centrex.

## Further Resource and Reserve Potential at Wilgerup

The Wilgerup tenement remains highly prospective for additional DSO hematite. The resource definition drilling over the previous year has focused on proving up the Wilgerup North Pod with only minimal exploration being undertaken within the regional tenement area. Future exploration drilling has now been freed up to target the residual gravity anomalies and follow up on previous drilling intercepts of Banded Iron Formation. In addition a total of 13 drill holes were drilled into the Wilgerup South Pod in late 2007, most of which intersected a broad low grade zone of hematite clay mineralisation. Centrex is confident that further drilling of geophysical targets and the Wilgerup South Pod will establish an alternative feed source to compliment the main Wilgerup North Pod.

The Wilgerup North Pod has a Probable Reserve of 7.6 Mt based on the previous resource estimate (8.0 Mt Indicated Resource). With the Indicated Resource increase to 13.2 Mt it is therefore reasonable to expect an increase in the Probable Reserve.

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### **Competent Person's Statement**

The information in this Public Report that relates to Mineral Resources is based on, and accurately reflects, the information compiled by Mr. Alastair Watts of Centrex Metals Limited and Mr. Adam Miethke of Snowden Mining Industry Consultants. Mr. Watts is a member of the Australasian Institute of Mining and Metallurgy and Mr. Miethke is also member of the Australasian Institute of Mining and Metallurgy. Messrs Watts and Miethke have sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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. Messrs Watts and Miethke consent to the inclusion in the report of the matters based on the information in the form and context in which it appears.