

**FOR IMMEDIATE RELEASE**

Thursday 11<sup>th</sup> November 2010

General Manager  
The Company Announcements Office  
Australian Securities Exchange

Dear Sir/Madam,

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**Bungalow Magnetite Project Update**

- **8,914m of drilling completed and extended to January 2011**
  - **Preliminary DTR results indicate 34% mass recovery at 68% Fe**
  - **New high grade coarse grained ore types identified**
  - **High resolution aeromagnetic survey completed for Minbrie with drilling to commence in mid November**
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Centrex Metals Limited is pleased to announce that the Bungalow Magnetite project on South Australia's Eyre Peninsula is continuing on schedule as summarised below.

United Drilling Services have now completed 32 diamond drill holes totalling 8,914m as of November 8. The drilling program has now been extended from 8,000m to 15,000m due to the encouraging results, cost savings due to good productivity and additional holes planned for Minbrie.

The key findings from the drilling to date include;

- Identification of additional magnetite zones previously assumed to be low grade. A number of holes have now indicated that the narrow zones as displayed by the geophysics are actually steeply dipping and less diluted high grade zones – see Figure 1 below.
- Shallow depths to mineralisation of 30m in the central areas due to paleosurface 'ridges' with associated benefits for overburden removal and mining costs.
- New coarse grained ore types intersected with high DTR mass recoveries up to 89%.
- Reprocessing of the aeromagnetics and confirmation from drilling indicates that a number of separate magnetite BIF zones extend along the entire 7.5km Bungalow magnetite deposit.
- A new high resolution aeromagnetics survey of the northern 10.5km Minbrie portion of the deposit correlates the 2 previous holes drilled in Minbrie that intersected magnetite BIF.
- Magnetite BIF intersected to end of hole at 501.1m in BUDD060

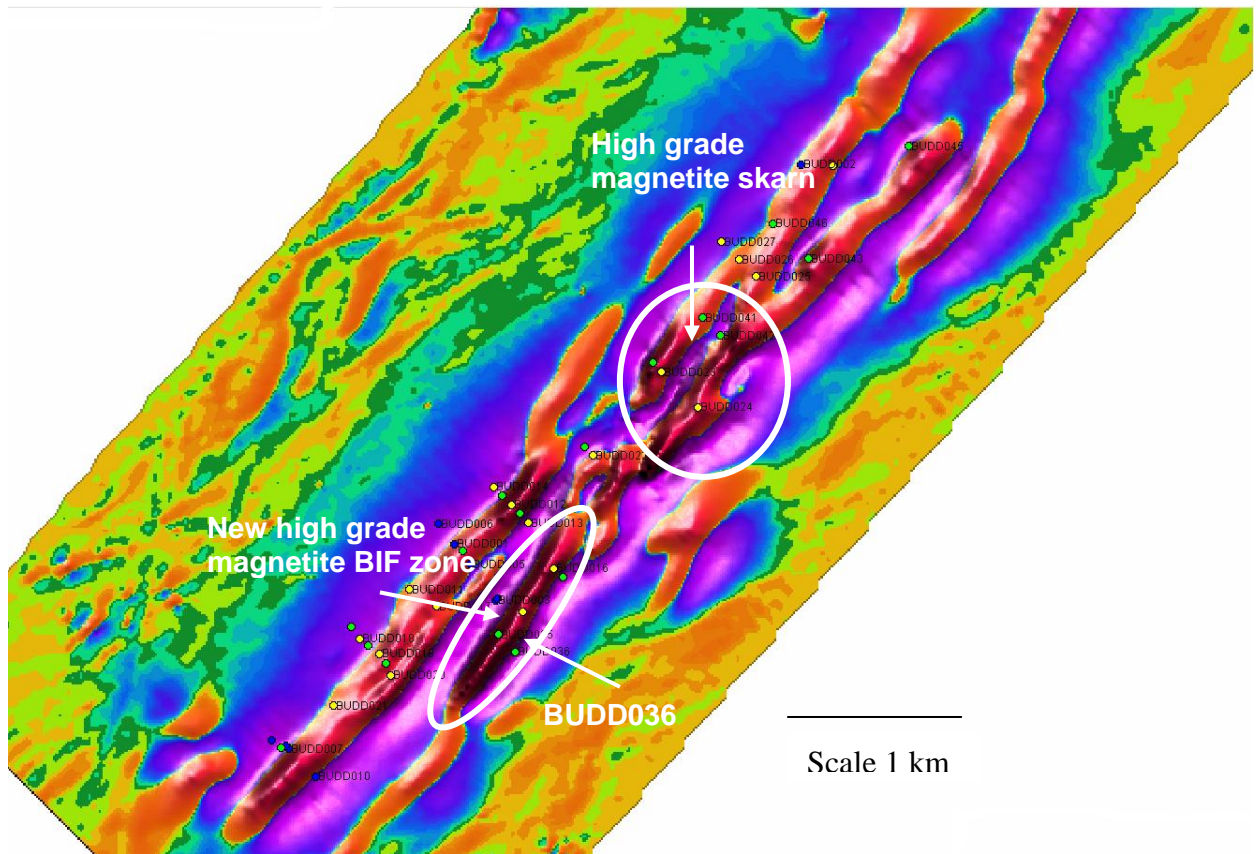


Figure 1 Bungalow RTP magnetics image displaying separate magnetite BIF zones.

A summary of the DTR results received to date are listed in the table below. The DTR results are for mass recoveries >10%. Note that the 'Depth From' and 'Depth To' intervals are from the first to last intersection of magnetite BIF to be sampled whereby internal dilution >0.5m is not sampled. Sampling is to geological contacts and nominal 3m intervals. The total 'Sample Interval' from within the 'Depth From' and 'Depth To' intervals are also included. Previous 2002 drill holes (BUDD001A, BUDD002 and BUDD004) were re sampled with the 2008 Bungalow specific DTR procedure for consistency.

Table 1. Summary of DTR and assay results received to date.

Hole ID	Depth (m)		Interval (m)	Samples per hole	DTR Mass % Recovery	Head Fe (%)	Conc. Fe (%)	Conc. SiO2 (%)
BUDD031	176.5	303.9	72.0	24	30.9	24.0	69.3	3.3
BUDD032	42.0	203.2	70.1	26	32.6	28.3	68.9	3.8
BUDD033	97.5	301.4	54.8	27	31.2	26.0	69.3	3.1
BUDD034	226.2	392.6	57.2	18	23.1	20.9	64.4	3.6
BUDD036	51.0	248.3	135.1	49	36.5	29.5	70.2	2.1
BUDD037	107.4	209.3	62.9	24	24.2	21.5	63.9	5.9
BUDD038	88.9	345.6	71.3	33	35.0	28.2	68.4	4.7
BUDD039	41.0	155.1	15.2	6	25.6	*	*	*
BUDD040	139.0	178.7	6.5	3	20.4	24.2	68.5	4.5
BUDD041	106.7	346.6	73.4	27	25.1	*	*	*
BUDD042	83.6	384.2	120.4	42	41.4	32.6	67.8	2.8
BUDD043	83.0	245.9	75.8	30	35.5	*	*	*
BUDD044	51.0	277.4	68.0	24	43.6	*	*	*
BUDD045	96.0	199.8	58.1	21	37.9	*	*	*
BUDD046	145.0	250.9	63.6	24	40.8	*	*	*
BUDD048 *	145.1	189.6	24.8	11	48.0	*	*	*
BUDD001A	81.0	182.7	86.4	27	28.0	22.8	67.0	5.3
BUDD002	152.4	214.1	38.6	16	37.8	27.6	68.9	4.1
BUDD004	189.0	254.8	44.7	20	39.3	30.2	70.4	2.2
BUDD005	168.7	192.4	15.9	6	28.1	23.9	64.2	2.4
BUDD006	307.0	384.3	45.6	17	35.5	27.5	68.5	3.0
<b>Total</b>			<b>1260.4</b>	<b>475</b>	<b>34.3</b>	<b>26.8</b>	<b>68.1</b>	<b>3.5</b>

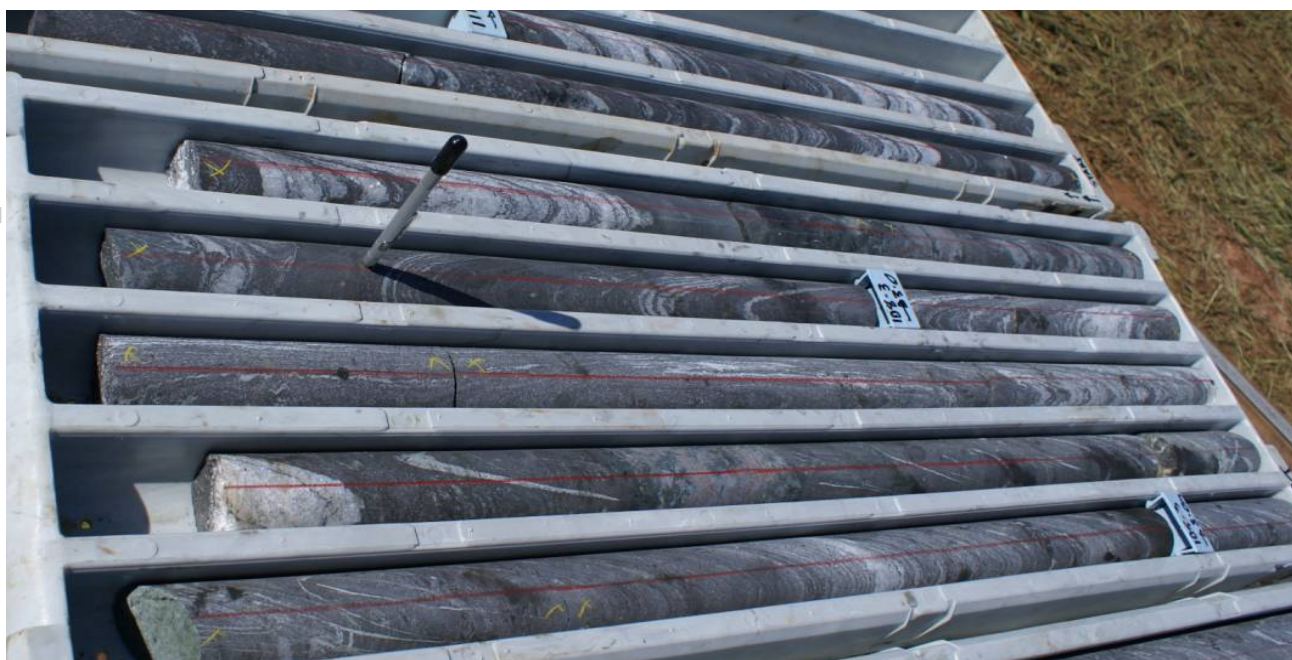
\* Awaiting further results.

BUDD042 in the table above and below, also included a total of 49.1m, from within the 53.4m interval 328.2m – 381.6m, that recorded a mass recovery of 52% and concentrate grades of 70% Fe and 2.4% Si. The last 17m of which had a mass recovery of ~64% and ~ 47% Fe head grade.

**Table 2. BUDD042 Significant high grade magnetite silica BIF intersection.**

Hole ID	Depth (m)		Interval (m)	DTR Mass % Recovery	Head Fe (%)	Conc. Fe (%)	Conc. SiO2 (%)
	From	To					
BUDD042	328.2	331.2	3.0	34.9	27.6	70.4	2.3
BUDD042	331.2	334.2	3.0	47.2	33.8	68.7	4.8
BUDD042	334.2	337.2	3.0	57.4	41.2	70.5	2.5
BUDD042	337.2	340.2	3.0	50.4	36.3	70.2	2.8
BUDD042	340.2	343.2	3.0	50.2	37.2	69.9	3.1
BUDD042	343.2	346.2	3.0	67.7	47.4	70.5	2.1
BUDD042	346.2	349.2	3.0	47.5	37.2	70.5	2.0
BUDD042	349.2	352.2	3.0	16.3	13.7	70.3	2.5
BUDD042	352.2	355.2	3.0	43.9	32.7	70.7	1.8
BUDD042	355.2	358.2	3.0	47.8	35.9	70.2	2.4
BUDD042	358.2	360.1	1.9	34.4	28.4	70.9	1.0
BUDD042	364.4	367.4	3.0	50.9	38.0	70.7	1.6
BUDD042	367.4	370.4	3.0	73.4	53.9	71.1	1.3
BUDD042	370.4	373.4	3.0	67.7	49.7	70.1	2.7
BUDD042	373.4	376.4	3.0	64.2	46.7	69.7	3.2
BUDD042	376.4	379.4	3.0	63.6	46.9	70.2	2.2
BUDD042	379.4	381.6	2.2	63.0	46.6	71.3	0.9
<b>BUDD042</b>	<b>328.2</b>	<b>381.6</b>	<b>49.1</b>	<b>52.0</b>	<b>38.5</b>	<b>70.3</b>	<b>2.4</b>

The recent drilling has identified a number of new ore types in addition to the dominant magnetite silica BIF which was used to establish the DTR procedure at a P80 of 32 microns. The new ore types are coarser grained and associated with carbonate and talc alteration common to the BIF stratigraphy from the Hutchison Group on the Eyre Peninsula. The images and table below include an example of the magnetite carbonate BIF mineralisation style from BUDD044 and coarse grained magnetite and hematite talc mineralisation from BUDD043.



**Figure 2. BUDD044 high grade magnetite carbonate BIF mineralisation.**

Table 3. BUDD044 significant interval of high grade magnetite carbonate BIF mineralisation and BUDD045 magnetite silica BIF mineralisation. (\* assay results pending)

Hole ID	Depth (m)		Interval (m)	DTR Mass % Recovery
	From	To		
BUDD044	100.9	104.0	3.1	56.2
BUDD044	104.0	107.0	3.0	68.7
BUDD044	107.0	110.0	3.0	62.5
BUDD044	110.0	113.0	3.0	63.7
BUDD044	113.0	115.1	2.1	45.7
BUDD044	116.8	120.0	3.2	62.6
	<b>100.9</b>	<b>120.0</b>	<b>17.4</b>	<b>60.6</b>

Hole ID	Depth (m)		Interval (m)	DTR Mass % Recovery
	From	To		
BUDD045	95.3	98.4	3.10	53.7
BUDD045	98.4	101.1	2.74	59.2
BUDD045	101.5	104.5	3.00	76.6
BUDD045	104.5	107.8	3.30	89.2
	<b>95.3</b>	<b>107.8</b>	<b>12.1</b>	<b>70.3</b>



Figure 3. BUDD045 high grade magnetite silica BIF



Figure 4. BUDD043 High grade coarse grained magnetite and hematite

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**Figure 5. BUDD043 High grade coarse grained magnetite.**

The second positive indication from the recent drilling was the surprise result from BUDD 036 (Figure 1) which intersected magnetite BIF from 42-248m depth. Although BUDD036 was drilled oblique to the ore zone it identified a high grade (less diluted) magnetite BIF zone as compared to the main southern Bungalow trend which was the focus of previous drilling.

The recent drilling and reprocessing of the aeromagnetics data has confirmed that the mineralisation extends along strike and at a shallow depth to mineralisation of around 30m within the central Bungalow area. This significantly improves the mining economics given the deeper depths, up to 80m experienced to the south and 100m to the north.

A high resolution aeromagnetic survey of the northern Minbrie portion of the Bungalow/Minbrie deposit was completed by Thomson Aviation and processed by geophysical consultants ASIS International. In 1958, two diamond drillholes were drilled at Minbrie by the South Australian Mines Department which intersected magnetite BIF from 100m vertical depth. The recent survey confirmed the Minbrie magnetic anomaly and subsequently the first of 4 holes has now commenced for a broad assessment of the deposit.

The broad spaced drilling assessment has also included the northern 3.3km section of Bungalow – see Figure 6 below.

In 2008 a single drill hole BUDD029 intersected steeply dipping magnetite silica BIF from 90.3m to 408.5m. The drill hole stopped in magnetite BIF mineralisation.

In the current drill program BUDD060 was drilled ~ 860m north of BUDD029 and intersected the same steeply dipping magnetite BIF zone. The magnetite BIF was intersected between 107.6m and 501.1m before the drill hole was stopped still in magnetite BIF.

BUDD053 was drilled along the same magnetite BIF trend ~1.5km south of BUDD029 and intersected magnetite BIF from 99.9m to 144.2m.

The success of drilling along the Bungalow north zone is therefore encouraging and provides confidence in achieving an acceptable overall tonnage for the project.

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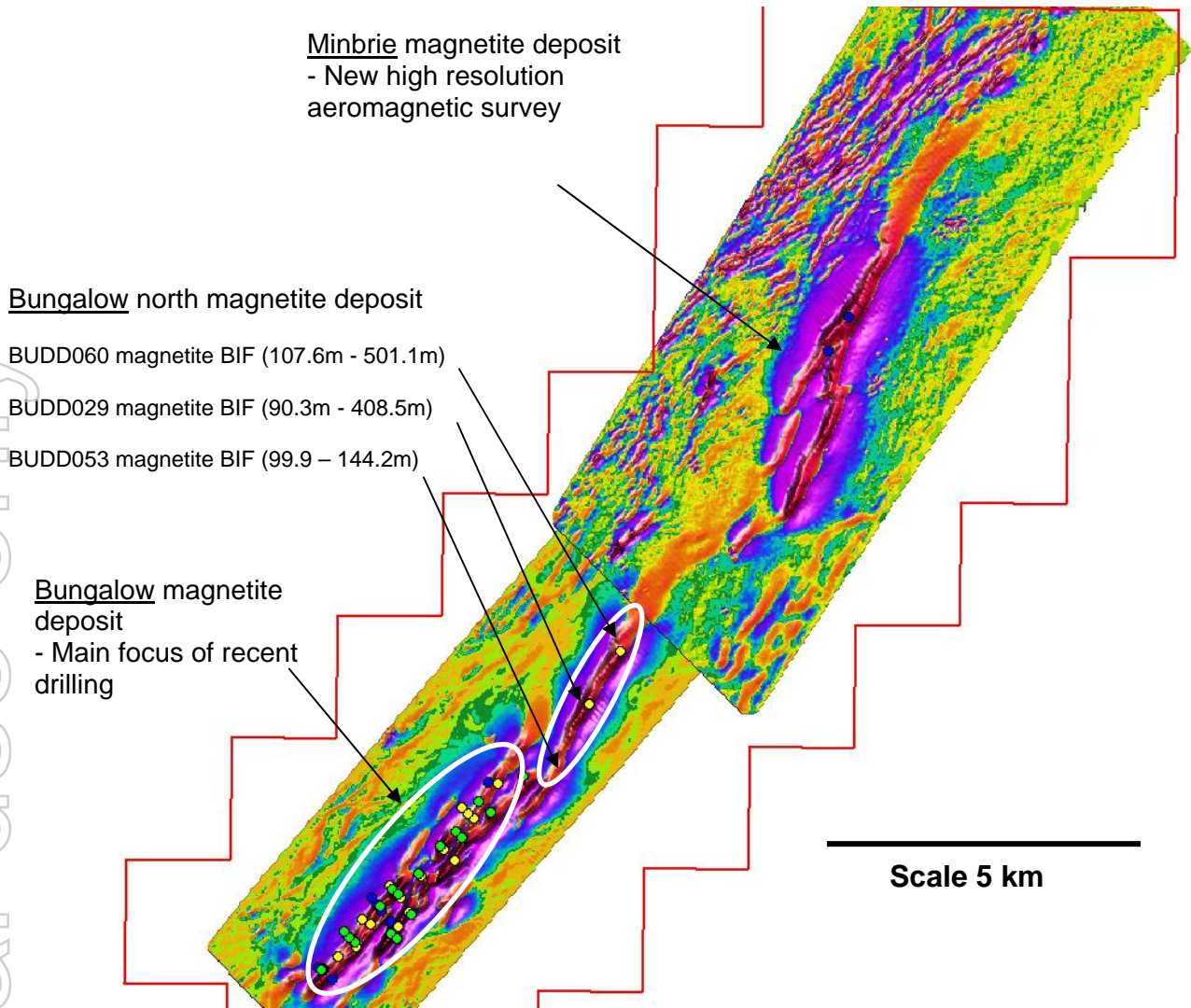


Figure 6. Reduced to Pole magnetics image displaying the Bungalow and Minbrie deposits.

The drilling is now expected to continue until January / February 2011 followed by Resource modelling and grade estimation in March / April 2011. An Inferred Resource is expected to be announced around April of next year 2011.

For further information please contact:

**Mr Jim White**  
Managing Director  
Centrex Metals Limited  
Ph (08) 8100 2200

or

**Mr Alastair Watts**  
Exploration Manager  
Centrex Metals Limited  
Ph. (08) 8100 2200

*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.*