

**FOR IMMEDIATE RELEASE**

Thursday 19<sup>th</sup> November 2009

General Manager  
The Company Announcements Office  
Australian Securities Exchange  
Electronic Lodgement System

Dear Sir/Madam

**FIRB AND NDRC APPROVE BAOTOU INVESTMENT IN CENTREX JOINT VENTURE  
COVERING THE BUNGALOW MAGNETITE DEPOSIT**

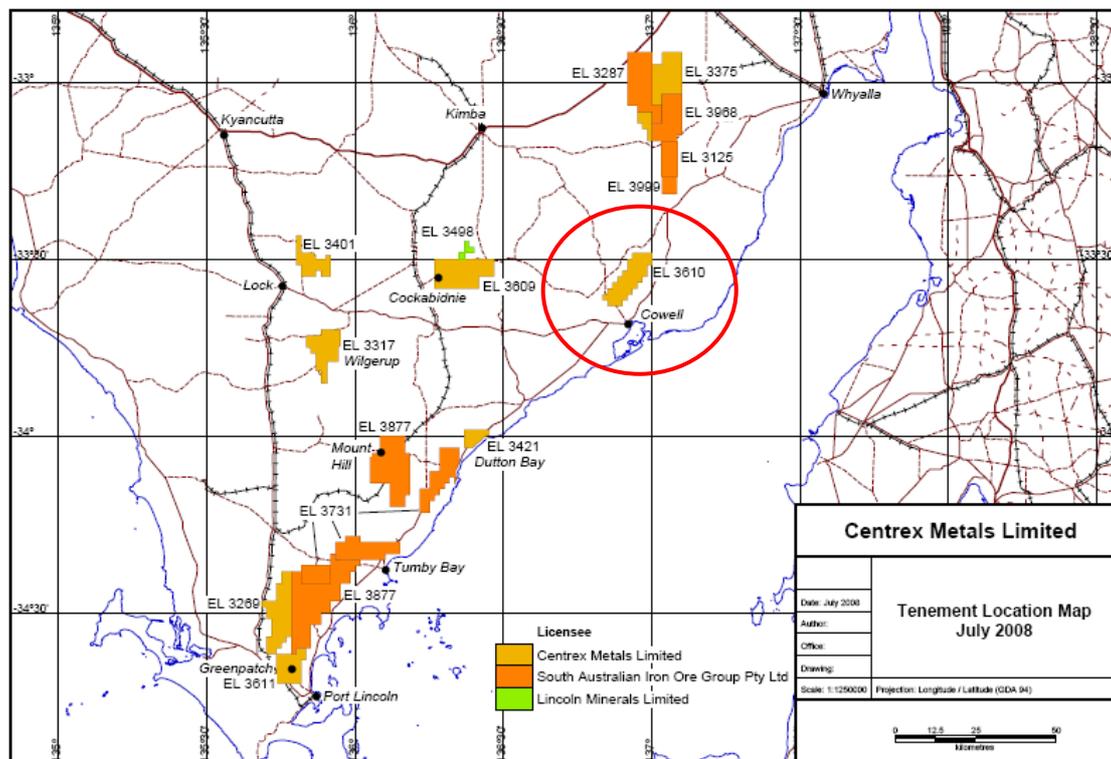
**HIGHLIGHTS**

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- The Australian Foreign Investment Review Board has approved the investment by Baotou Iron & Steel (Group) Company Ltd (or its wholly owned subsidiary) (“Baotou”) to acquire up to 50 per cent of the proposed iron ore joint venture with Centrex Metals Limited on the Bungalow magnetite deposit contained in tenement EL 3610.
  - The key commercial terms:
    - a) Baotou to make staged payments into the Bungalow Joint Venture Account a total of up to A\$40,000,000 for a 50% interest in the iron ore rights to EL3610 which covers the Bungalow magnetite deposit.
    - b) The A\$40,000,000 in payments to the Joint Venture will consist of:
      - Stage 1 payment of A\$8,000,000 will be paid within 14 days of the Exploration Commencement Date and be spent on exploration and studies. Baotou will then be assigned a 10% interest in the iron ore rights to EL3610.
      - Stage 2 payment of A\$8,000,000 will be paid on the commencement of Stage 2. The monies will be spent on exploration and studies. Following the Stage 2 payment, Baotou will be assigned a further 10% interest in the iron ore rights on EL3610.
      - Stage 3 payment of A\$24,000,000 will be paid at the commencement of Stage 3. The monies will be spent to complete a Bankable Feasibility Study. On payment of the Stage 3 payment, Baotou will be assigned a further 30% interest in the iron ore rights on EL3610 taking its equity in the iron ore rights to 50%.
    - c) Centrex has been appointed as manager for Stage 1 and Stage 2.
    - d) A joint venture company will be established to manage the Bankable Feasibility Study and operations.
    - e) Centrex will be reimbursed approximately A\$2.26 million out of the Stage 1 payments for exploration expenses incurred since signing the Heads of Agreement on 20<sup>th</sup> September 2007.
  - Baotou has informed Centrex that the National Development Reform Commission (“NDRC”) has approved the investment. Baotou is currently applying to China’s State Administration of Foreign Exchange (SAFE) to approve the remittance of funds.
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The Board of Centrex Metals Limited (‘Centrex’) is pleased to announce that the Australian Foreign Investment Review Board has approved without condition the investment by Baotou in Centrex. Under the iron ore joint venture Baotou will pay a total of up to A\$40,000,000 into a joint venture account to earn a 50% interest in the iron ore rights to Centrex’s mineral tenement EL3610 located 9 kms north of Cowell on Eyre Peninsula, South Australia.

Centrex Chairman Mr David Lindh said the FIRB approval marked yet another significant milestone for Centrex. The Company has announced a series of investments and government consents in the recent past that will help the Company to become a major player, over time, in Australia's iron ore industry. Mr Lindh added "we have been in discussions for many months and it is very pleasing that Centrex and Baotou can now accelerate exploration at Bungalow."



**Figure 1 Map showing Centrex's EL3610 that forms the Baotou Joint Venture**

## Approvals

Baotou has informed Centrex that the National Development Reform Commission (NDRC) has approved the investment. Baotou is now applying to China's State Administration of Foreign Exchange (SAFE) to approve the remittance of funds.

## Information about Baotou

Baotou Iron & Steel (Group) Co., Ltd is a state owned enterprise and is the tenth largest steel producer in China producing over 8 million tonnes of steel products per year. Baotou is part of the Baogang Group based in Inner Mongolia.

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