



KRUCIBLE METALS LTD

Mineral Discovery Company


ABN 12 118 788 846

ASX ANNOUNCEMENT

29th June 2010


NO ENVIRONMENTAL IMPACT STUDY REQUIRED FOR SMALL KORELLA PHOSPHATE LEASE & ANOMALOUS PILGRIM DRILLING RESULTS


HIGHLIGHTS

 Krucible Metals Ltd (Krucible) has recently been advised by the Queensland Department of Environment and Resource Management (DERM) that an Environmental Impact Study (EIS) will NOT be required for the small Korella Phosphate Mining Lease (ML 90208 – see FIGURES 1 & 2); located 5km south of the Phosphate Hill Mine (PHM) that is owned and operated by Incitec Pivot Ltd.

Details of the Korella Phosphate Mining Lease applications were outlined in a previous ASX announcement on the 7th June 2010.

This Lease measures 500 x 500 metres and is designed to facilitate BULK SAMPLING of the Phosphate product for prospective customers, both in Australia and overseas. It is expected that this Lease will be granted in 9-12 months so that trial mining can commence under an Environmental Plan in 2011.

 The larger, operational Mining Lease Application (ML 90209) is currently being assessed by the Department of Mines and Energy (DME) and DERM who will advise what level of environmental control will be required for a full scale mining/quarry operation. It is hoped that this Lease will be granted in 15-18 months.

 The market and prices for Phosphate products are expected to improve markedly in 1-2 years time and Korella Phosphate Pty Ltd (a wholly owned subsidiary of Krucible) should be ideally placed to service this market.



HIGHLIGHTS

🔥 Drilling at the Pilgrim Prospect has been completed with 37 R.C. percussion holes drilled for 3,339 metres over an area of about 2,000 x 500 metres.

This tenement (EPM 15072) is a Joint Venture with Deep Yellow Ltd; Krucible has recently moved to 80% equity by expenditure of over \$400,000 and has the right to gain 100% ownership by issue of 1 million fully paid Krucible shares.

The drilling was designed to test high grade Copper in surface rock chips at the Pilgrim FBX zone as well as magnetic targets under cover of younger Cambrian sediments at Humphries Hill. Unfortunately no high grade Copper was intersected at the FBX. However consistent zones of IOCG hematite/magnetite /biotite (\pm sulphides) alteration was intersected at shallow depths (max. 75 metres vertical) over a strike length of over 600 metres. Better intersections include;

🔥 11 metres @ 0.21% Copper from 62m in hole 10PMRC004

🔥 7 metres @ 0.33% Copper from 37m in hole 10PMRC007

🔥 2 metres @ 0.24% Copper from 15m in hole 10PMRC009

and 2 metres @ 0.48% Copper and 0.49g/t Au from 39m

An electrical Induced Polarisation (I.P.) survey is planned to ascertain if disseminated sulphide concentrations are present at depth – if this survey is positive then deeper drilling will be carried out to test for IOCG mineralisation associated with these sulphides.

🔥 At Humphries Hill Proterozoic basement was deeper than expected and a bigger rig will be necessary to test the magnetic targets under cover (200-300 metres). However a number of Uranium and Phosphate zones were intersected in wide spaced holes (100-300 metres apart) in the Beetle Creek Formation. The better intersections include;

🔥 3 metres @ 150ppm Uranium from 6m in hole 10PMRC023

🔥 3 metres @ 245ppm Uranium from 6m in hole 10PMRC024

🔥 3 metres @ 105ppm Uranium & 1500ppm Vanadium in hole 10PMRC026

and 3 metres @ 11.5% P₂O₅ from 11m

Further drilling is required to test the significance of these zones.

🔥 Drilling is also planned at Krucible's Panther Prospect which is located about 25km SW of Ivanhoe's Merlin Deposit (Molybdenum, Rhenium) and Lucky Luke Deposit (Copper, Gold). Recent 3D modelling of a magnetic IOCG target indicates a probably depth of 150-250 metres. Previous drilling by Krucible only went to 100 metres.



The directors of Krucible Metals Ltd are pleased to announce that anomalous drill results have been returned from the Pilgrim EPM 15072 located about 12km north of the Phosphate Hill Mine (see **FIGURE 1**). This tenement is a Joint Venture with Deep Yellow Ltd.

PILGRIM FBX ZONE

26 angled R.C. percussion holes were drilled on the FBX zone for a total of 2,277 metres (average 87m). The drilling tested 1.4km strike length at drill spacing of 50-200 metres (see **FIGURES 3 & 4**). The average vertical depth tested to was about 75 metres.

Mineralisation was intersected in adjacent holes (50-100 metres apart) over 600 metres NNW trending strike length and appears to be open to the north and south as well as to the west (previous drilling by MIM intersected up to 2 metres @ 3.4% Copper and 1.7g/t Gold to the west – see **FIGURE 4**).

The alteration accompanying the low grade mineralisation comprises hematite/magnetite/biotite and “red rock” alteration (\pm sulphides) – this is consistent with other Queensland IOCG systems such as Ernest Henry (Xstrata) which have depth extents of over 1,000 metres.

The better intersections at FBX include;

🔥	10PMRC004	4 metres @ 0.16% Copper and 0.11g/t Gold from 62m 4 metres @ 0.35% Copper and 0.10g/t Gold from 69m
🔥	10PMRC007	7 metres @ 0.33% Copper and 0.15g/t Gold from 15m
🔥	10PMRC009	5 metres @ 0.17% Copper from 6m and 2 metres @ 0.24% Copper from 15m and 2 metres @ 0.48% Copper and 0.49g/t Gold
🔥	10PMRC011	3 metres @ 0.13% Copper from 15m and 2 metres @ 0.49% Copper from 78m
🔥	10PMRC019	2 metres @ 0.13% Copper and 0.10 g/t Gold from 82m (EOH 84m)

A full list of the anomalous intersections is shown in **TABLE 1**.

An electrical I.P. (Induced Polarisation) survey is planned at Pilgrim FBX to test for indications of sulphide accumulations at depth – this is likely to be accompanied by Copper mineralisation. If the survey is positive then deeper drilling will be planned.

There is also the possibility of mineralisation extending to the west associated with crosscutting ENE and E-W structures.

HUMPHRIES HILL AREA

At Humphries Hill 11 vertical R.C. percussion holes were drilled for 1,062 metres (average depth 96 metres). These holes were collared in Cambrian cover rocks and apart from hole 10PMRC031, none of these holes intersected Proterozoic basement – the deepest hole drilled (10PMRC028) was drilled to 168 metres (limit of drilling capacity) and was still in Cambrian sediments.



Whilst the drilling was not successful in testing the basement IOCG targets; a number of anomalous Uranium and Phosphate zones were intersected in the middle Cambrian Beetle Creek Formation – this is the same formation that hosts the mineralisation at Phosphate Hill and Korella. The anomalous holes are shown on **FIGURE 3** and tabled in **TABLE 2**. The better intersections are shown below;

🔥	10PMRC020	4 metres @ 10.20% P ₂ O ₅ from 0m
🔥	10PMRC023	3 metres @ 150ppm Uranium from 6m
🔥	10PMRC024	3 metres @ 245ppm Uranium from 6m
🔥	10PMRC026	3 metres @ 105ppm Uranium & 1500ppm Vanadium from 0m
	and	3 metres @ 11.5% P ₂ O ₅ from 11m
	and	3 metres @ 11.2% P ₂ O ₅ from 29m

It should be mentioned that the Phosphate zones intersected are interpreted to be in the basal part of the Beetle Creek Formation (BCF). The high grade Phosphate zones at Korella are in upper part of the BCF at the contact with the overlying Inca Formation – this contact is predicted to the east and NE of the recent drilling (see **FIGURE 3**) and is yet to be drill tested. Deeper drilling (200-300 metres) is also planned to intersect the magnetic anomalies under Cambrian cover (see **FIGURE 3**).

PANTHER PROSPECT / MERLIN TANK EPM 15811

Krucible has recently carried out 3D modelling on a magnetic target defined by a ground magnetic survey previously undertaken by the Company (see **FIGURE 5**). This target is considered to be in highly prospective terrain as it is located 25km SW of Ivanhoe's high grade Molybdenum/Rhenium deposit as well as 10km west of the Lucky Luke Copper/Gold deposit.

The recent modelling suggests the magnetic body (which may be associated with IOCG mineralisation) is likely to be at depths ranging from 150-250 metres. Previous drilling by Krucible at Panther was carried out in 2009 but the holes only went to 100 metres – however some sulphides were intersected with anomalous Lead and Rhenium values. R.C. percussion drill testing of this target is expected to commence in August 2010.

Attached; TABLES 1-2
FIGURES 1-5

Tony Alston
Managing Director
Krucible Metals Ltd.

Further Information: Mr. Tony Alston Ph: (07) 4772 5880

WEBSITE: www.kruciblemetals.com.au



KRUCIBLE METALS LTD

Mineral Discovery Company

ABN 12 118 788 846

Information of a scientific or technical nature in this report was prepared under the supervision of A.J. Tony Alston, CEO and Chief Geologist of Krucible, who is a member of the Australian Institute Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Alston has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a “competent person” as defined in the 2004 edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Alston has reviewed and approved Krucible’s quality assurance program, quality control measures, the geology, samples collection and testing procedures the basis for information contained in this report. For further information regarding the Korella Deposit (PHM South) discovery please refer to reports and releases to the Australian Stock Exchange over the last 18 months together with the Company’s website at www.kruciblemetals.com.au

This report contains forward-looking statements. These forward-looking statements reflect management’s current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward looking statements.

Mr Alston consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information in this Announcement relating to the Korella Deposit (PHM South) Scoping Study has been documented by Mr Ray Koenig who is a Senior Project Metallurgist and Chartered Professional and Fellow of the AusIMM. Mr Koenig consents to this information being included in the ASX Announcement.

TABLE 1

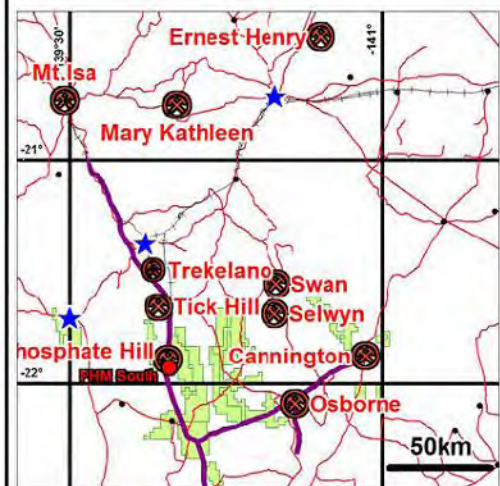
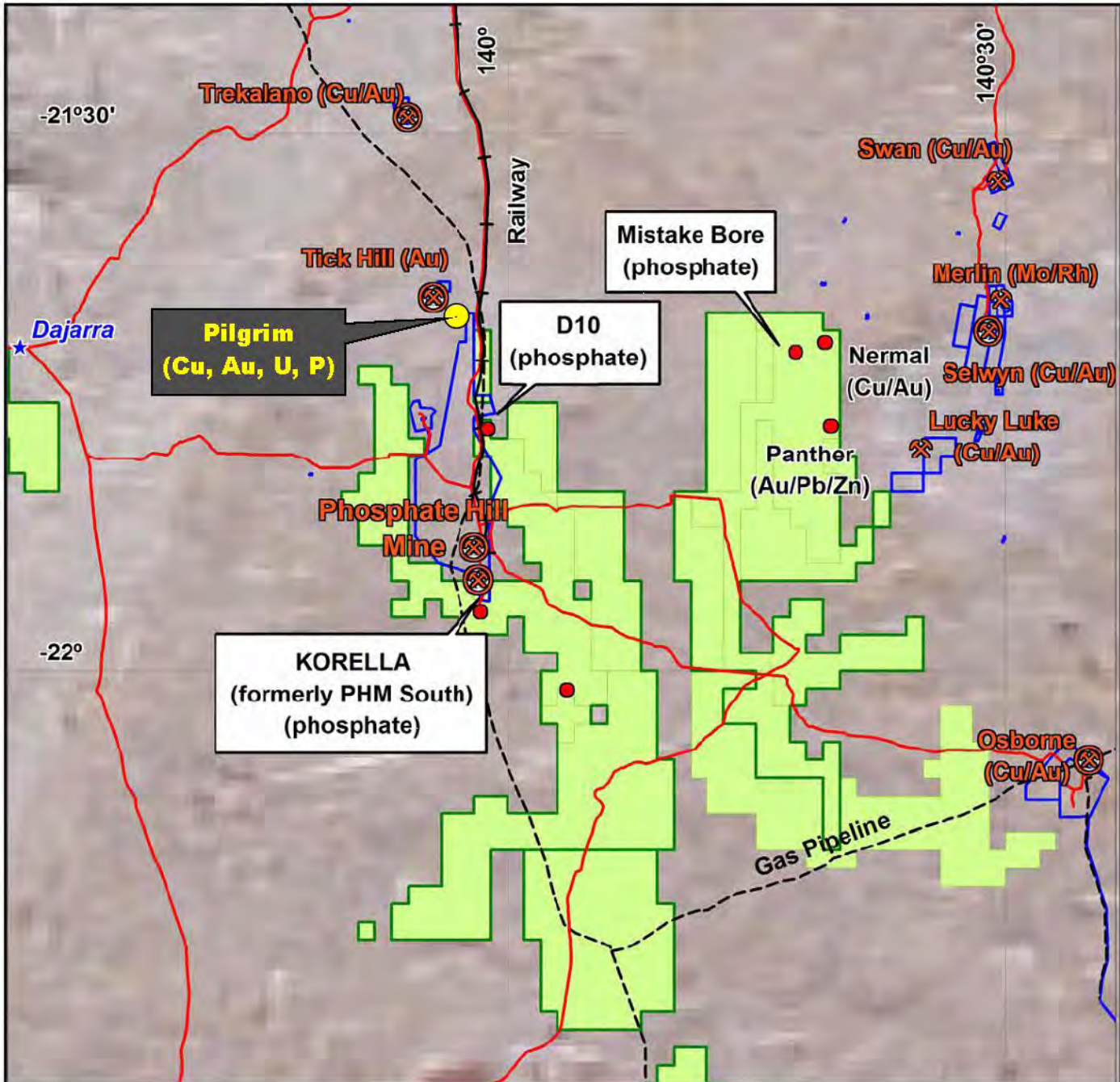
**PILGRIM RC DRILLING / ANOMALOUS INTERSECTIONS
PILGRIM FBX ZONE**

Hole Number	AMG Co-Ord. (AGD66)		Depth	Azimuth	Inclination	Interval		Length (metres)	Analytical Results (ppm unless shown as %)		Comments
	Easting	Northing				From	To		Copper	Gold	
10PMRC 002	391883	7602885	99	82	60	32	36	4	509		
10PMRC 004	391704	7602895	75	82	60	62	66	4	1600	0.110	
						69	73	4	3500	0.100	
10PMRC 006	391772	7602805	84	82	60	32	40	8	1040	0.101	
10PMRC 007	391767	7602801	75	260	60	37	44	7	3300	0.150	
10PMRC 008	391821	7602705	84	85	60	15	18	3	1010		
						42	46	4	1600	0.100	
10PMRC 009	391743	7602702	84	80	60	6	11	5	1700		
						15	17	2	2400		
						39	41	2	4800	0.490	
10PMRC 011	391801	7602605	96	50	60	15	18	3	1300		
						78	80	2	4900		
10PMRC 012	391778	7602654	90	170	60	68	72	4	559	0.033	
10PMRC 017	391661	7603133	84	60	60	61	64	3	1700		
10PMRC 018	391709	7603005	84	60	60	16	20	4	1300		
10PMRC 019	391614	7603005	84	60	60	82	84	2	1320	0.100	End of hole
10PMRC 035	391916	7601195	84	80	60	4	8	4	523	0.034	

TABLE 2

**PILGRIM RC DRILLING / ANOMALOUS INTERSECTIONS
HUMPHRIES HILL**

Hole ID	AMG Co-Ord. (AGD66)		Depth	Azimuth	Inclination	Interval		Length (metres)	Analytical Results (ppm unless shown as %)			Comments
	Easting	Northing				From	To		Copper	Uranium	Phosphate P ₂ O ₅	
10PMRC 020	392191	7603597	102	-	90	0	8	8			8.10%	Phosphate zone (+4m @ 191 Ni & 726 Zn from 4m)
10PMRC 021	392172	7603696	81	-	90	7	10	3		100		Phosphate zone (+8m @ 180 Ni & 560 Zn from 16m)
						9	14	5			8.30%	
10PMRC 022	392153	7603511	90	-	90	4	7	3	-	75	-	
10PMRC 023	391952	7603658	105	-	90	6	9	3		150	-	Uranium zone
10PMRC 024	391860	7603802	144	-	90	6	9	3		245	-	Uranium zone (+4m @ 175 Ni & 534 Zn from 28m)
10PMRC 025	391967	7603895	60	-	90	10	13	3	360	115	-	Uranium zone
						28	32	4	300	30	9.30%	Phosphate zone (+4m @ 209 Ni & 839 Zn from 4m)
10PMRC 026	392178	7603902	60	-	90	0	3	3	485	105		(+1500 V & 985 Zn)
						11	14	3	-	-	11.50%	Phosphate zone
						29	32	3	-	-	11.05%	Phosphate zone (+ 1016 Zn)



25km

LEGEND

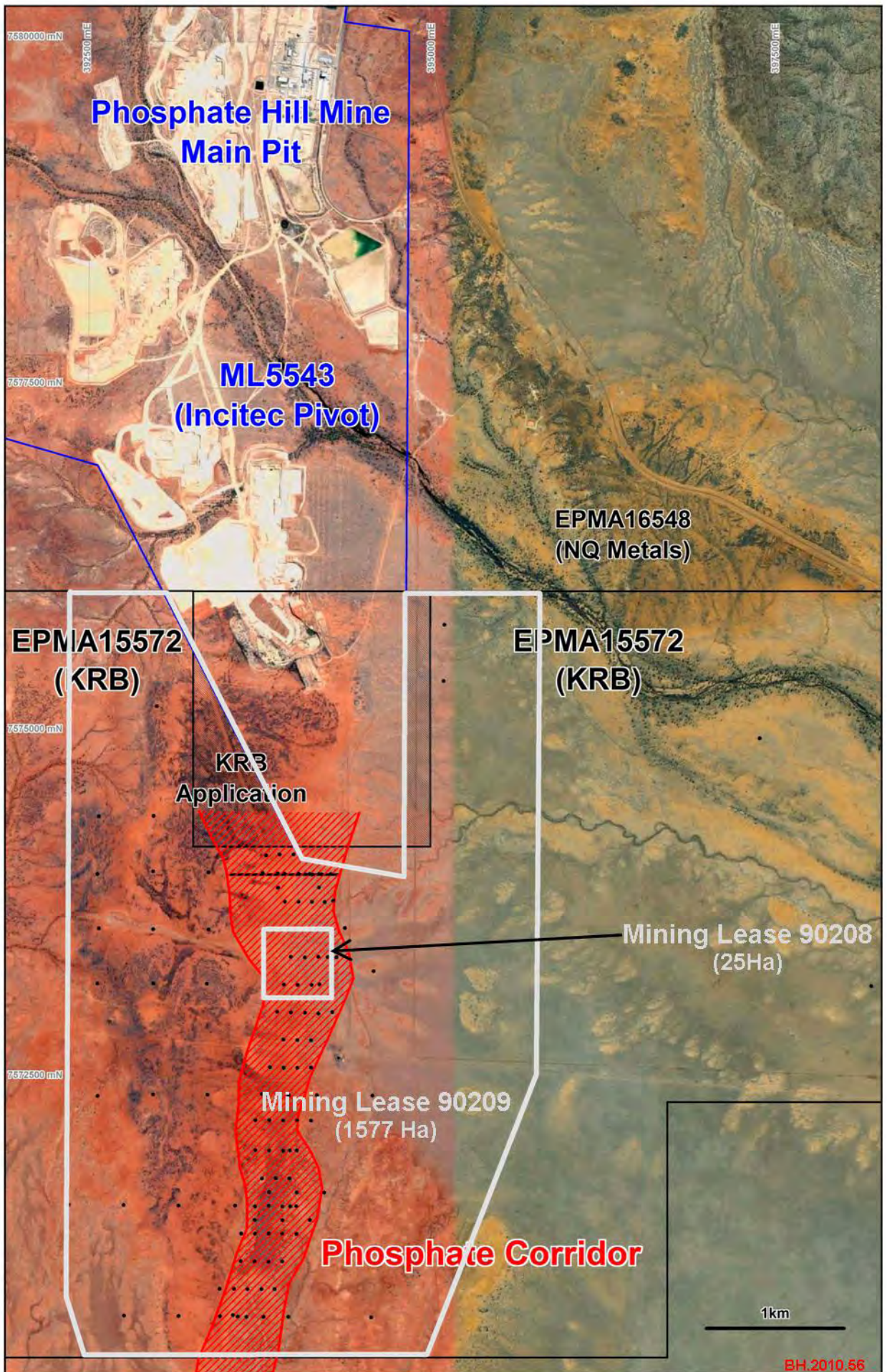
- KRB Prospect
- Deposit
- Mine
- Mining Lease
- Tenement Outline (KRB)
- Road
- Gas Pipeline
- Railway



KRUCIBLE METALS LTD

MT ISA SOUTH AREA
Krucible Tenements,
Mines and Infrastructure

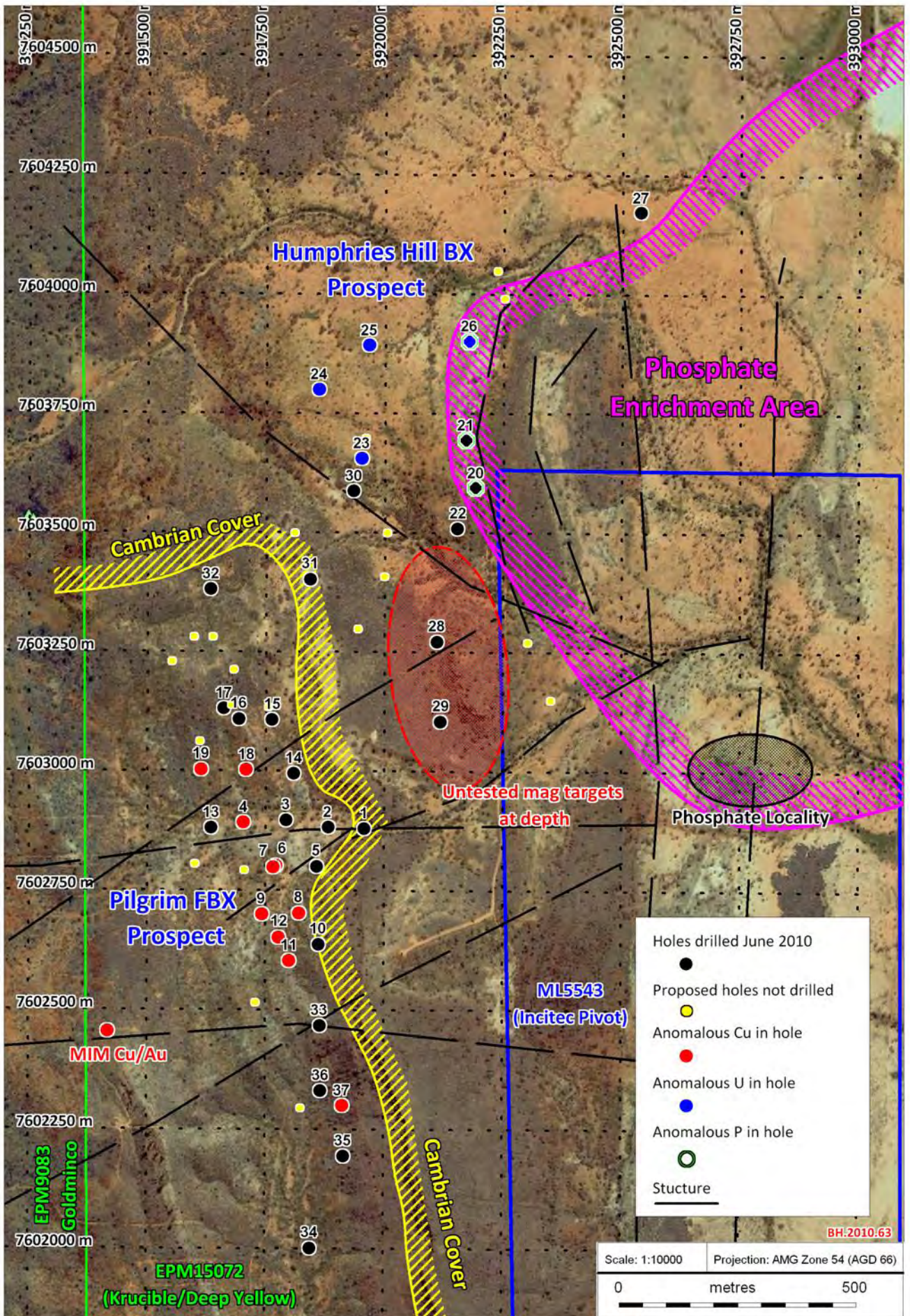
FIGURE 1



KRUC0344_PHMS_Google_25ka3p_WOR

Mining Lease Application Areas for Korella Phosphate Operation
 (NB - Smaller MLA is for bulk sampling purposes)

FIGURE 2

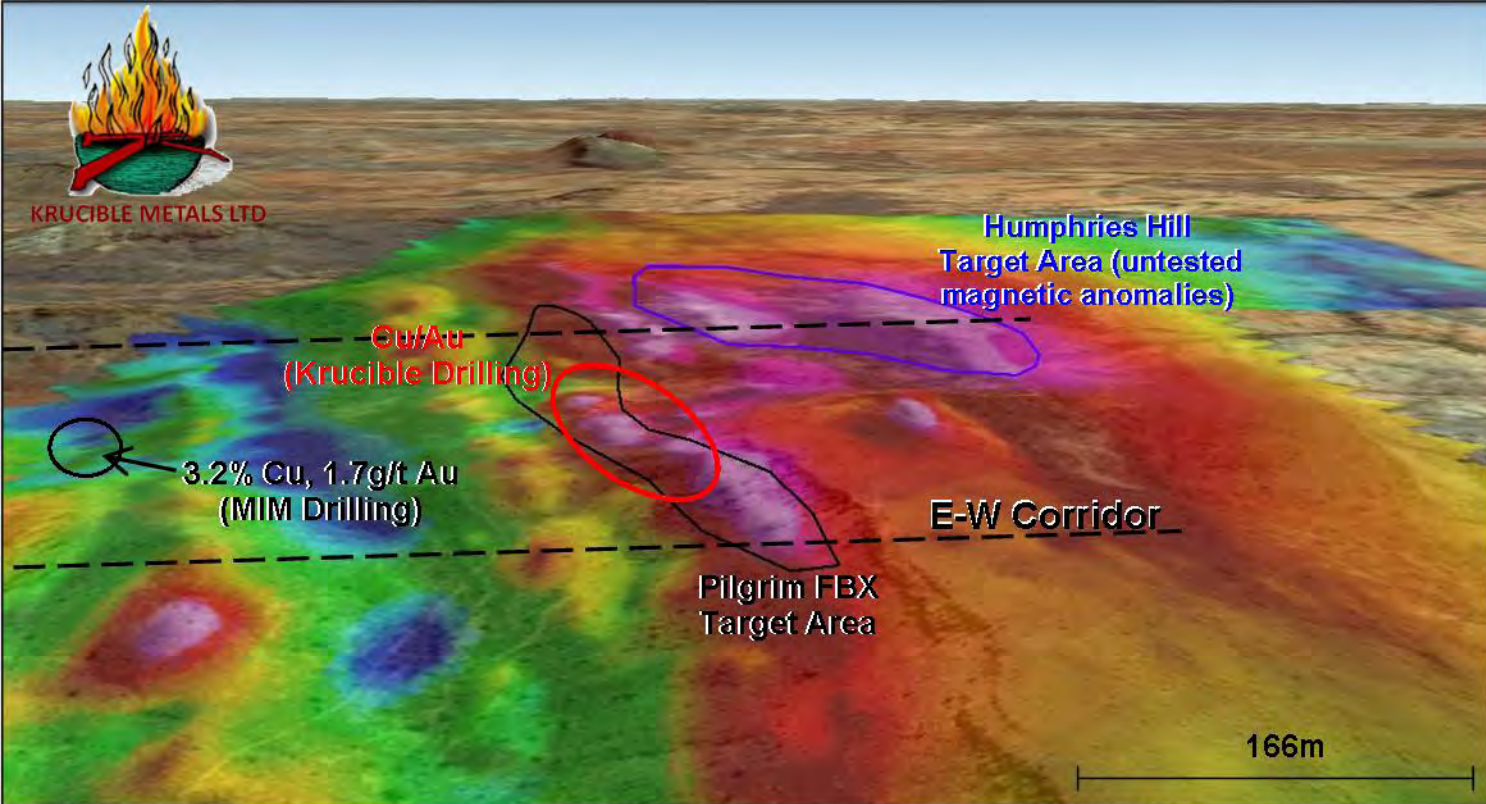


Pilgrim Fault Google Image showing drilling results

FIGURE 3



KRUCIBLE METALS LTD



EPM15072 Pilgrim Fault Oblique (looking N) Google Image with Magnetic Overlay

N.B. red and pink areas are magnetic highs

BH.2010.62

FIGURE 4

