



KRUCIBLE METALS LTD

Mineral Discovery Company

ABN: 12 118 788 846 ASX Code: KRB

ASX ANNOUNCEMENT

4th May 2012

About KRUCIBLE

Krucible Metals Ltd is a diversified, Australian owned minerals explorer with a proud discovery history. The main focus is western Queensland. The company has 66.45 million fully paid shares on issue - the stock is tightly held with the top 20 holding 63%. The directors hold about 11.5%. All of the tenements (except one) are 100% owned by Krucible.



Diamond hole 09CBPD004 showing the high grade (36% P₂O₅) ore zone from about 70m to 74.2m

Its Korella Phosphate & Rare Earth resources are immediately adjacent to the fully integrated fertiliser plant at Phosphate Hill near Mt Isa Queensland.

Depending upon economic feasibility, Krucible aims to undertake trial mining then upscale production from late 2012.

Also Krucible discovered virgin Copper mineralisation by drilling conceptual targets. The next phase of drilling for 2012 will be guided by 3D geological & geophysical modelling to test for potentially large and high grade Copper orebodies.

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ENVIRONMENTAL AUTHORITY ISSUED FOR KORELLA MINING LEASE APPLICATION 90209

The directors of Krucible Metals Ltd are pleased to announce that the Environmental Authority (EA) has been approved by the Queensland Department of Environment and Resource Management (DERM), for trial-mining activities at the Korella Mining Lease Application located 140km SE of Mount Isa in NW Queensland.

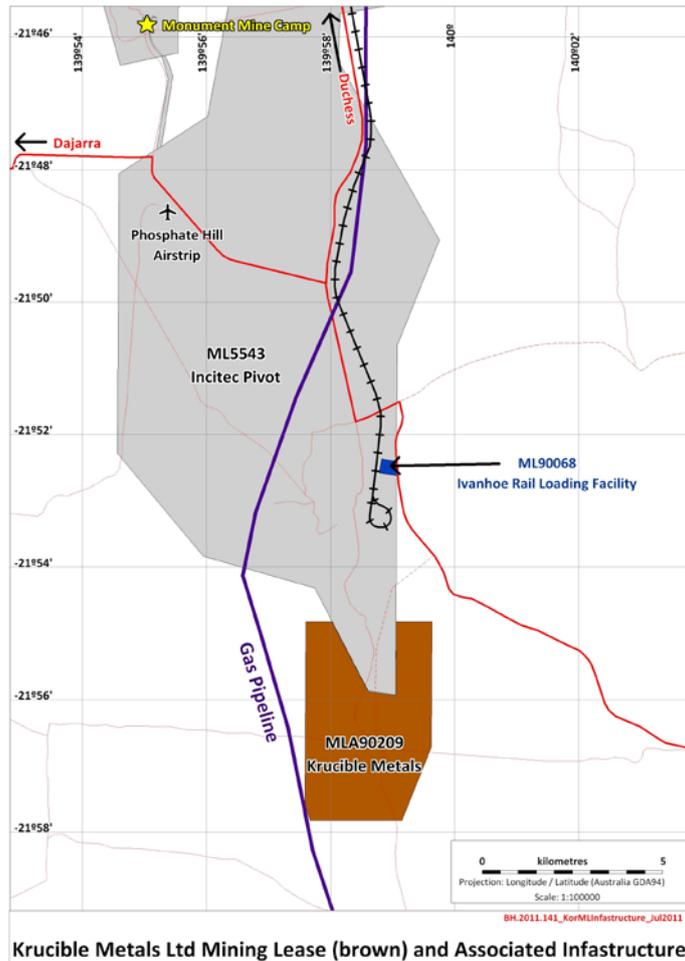
Krucible is in direct joint venture discussions surrounding its phosphate JORC Inferred resource at Korella, and this trial-mining activity will progress those negotiations. The Korella Project which will be a rock phosphate quarry style operation.

This EA has been issued to Korella Phosphate Pty Ltd (a wholly owned Krucible company) following the Environmental Management Plan (EMP) originally submitted in October 2010 to DERM. The successful EA is in large part due to the extensive effort by Krucible Director Ray Koenig and GHD Consultant Geoff Metcalfe. We thank them for their professional efforts in complying with the required environmental guidelines.

Under provisions of the Environmental Protection Act 1994, the authority is issued to Korella Phosphate Pty Ltd in respect of carrying out a level 1 mining activity on the lease. The environment authority specifies the mining operation conditions and augments the Environmental Management Plan (EMP) submitted. The conditions and the EMP are able to be met with normal mining and operational practices.

KRUCIBLE BOARD

Michael Leonard – Chairman
Tony Alston – Executive Director
Ray Koenig – Non-Executive Director
Dennis Lovell – Company Secretary
Allan Branch – Managing Director



The issue of the EA now allows Korella Phosphate's Mining Lease 90209 to be publicly advertised and go through due process with the Queensland Department of Natural Resources and Mines. It is expected that the Lease will be granted in 8-10 weeks time – allowing the Company to then commence Trial Mining at Korella. Potential customers in Australasia and SE Asia will be supplied with +30% Phosphate material for test work and to facilitate possible Offtake Agreements.

Krucible is currently in close discussions with a number of companies who have expressed interest in partnering Korella Phosphate to development as early as 2013.

Tony Alston
Executive Director
Krucible Metals Ltd.

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WEB SITE: www.kruciblemetals.com.au



COMPETENT PERSONS STATEMENT

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

The analytical results quoted in the drill intersections for Rare Earths at Korella have been supplied by ALS Chemex Laboratories utilising the specialist Rare Earth Mass Spectroscopy Method ME-MS81.

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.