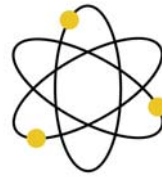




KRUCIBLE METALS LTD
Mineral Discovery Company
ABN 12 118 788 846



DEEP YELLOW LIMITED
ABN 97 006 391 948

ASX ANNOUNCEMENT – 3 December 2008

HEADS OF AGREEMENT SIGNED BETWEEN

KRUCIBLE METALS LTD AND DEEP YELLOW LTD

ON EPM 15072 COMPRISING THE PILGRIM JOINT VENTURE

The Directors of Krucible Metals Ltd (KRB) and Deep Yellow Ltd (DYL) are pleased to announce that a Heads of Agreement (HOA) has been signed on the Pilgrim Joint Venture with DYL comprising Exploration Permit for Minerals (EPM) 15072. This EPM is located about 10km north of the Phosphate Hill Mine, (operated by Incitec Pivot Ltd) and is adjacent to the Krucible 100% owned Corella Bore EPM15572 located about 130km SSE of Mount Isa in NW Queensland (see Figure 1). EPM 15072 is held in the name of Superior Uranium Pty Ltd which is a 100% owned subsidiary of DYL.

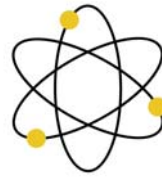
The terms of the Pilgrim Joint Venture (PJV) are as follows;

- 🔥 KRB has the right to earn 80% equity in the PJV by expenditure of \$400,000 on exploration and / or development over a four year period (the “earning period”).
- 🔥 At any time during the earning period, but only after the Company has expended at least \$80,000 (the “minimum commitment”), KRB has the right to withdraw from the PJV.
- 🔥 During the first two years of the earning period KRB has the right to acquire the property 100% by the issue of one (1) million fully paid KRB shares to DYL.
- 🔥 After the earning period, KRB has the right to acquire the property 100% by the issue of 1.2 million fully paid KRB shares to DYL.
- 🔥 If KRB does not elect to acquire the property 100% then DYL will be free carried to a decision to mine.

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Krucible considers the Pilgrim EPM to be of important strategic value as it abuts the D10 Phosphate Prospect within the Corella Bore EPM. This Prospect has phosphate enriched zones at the surface assaying up to 35% P₂O₅ that are located close to an existing railway line and infrastructure. The Company has recently carried out systematic surface trench sampling over the D10 Prospect and results are awaited (see Figure 2).

Krucible intends to carry out R.C. percussion drilling on D10 as well as on the adjacent Pilgrim EPM 15072 in 2009 to investigate the sub-surface phosphate grades and the potential for a rock phosphate mining operation.

Attached Figures 1 - 2

Mr Tony Alston
Managing Director

Mr Martin Kavanagh
Executive Director

Further Information:
Krucible Metals Ltd.
Ph: (07) 4772 5880

Deep Yellow Limited
Ph: (08) 9286 6999

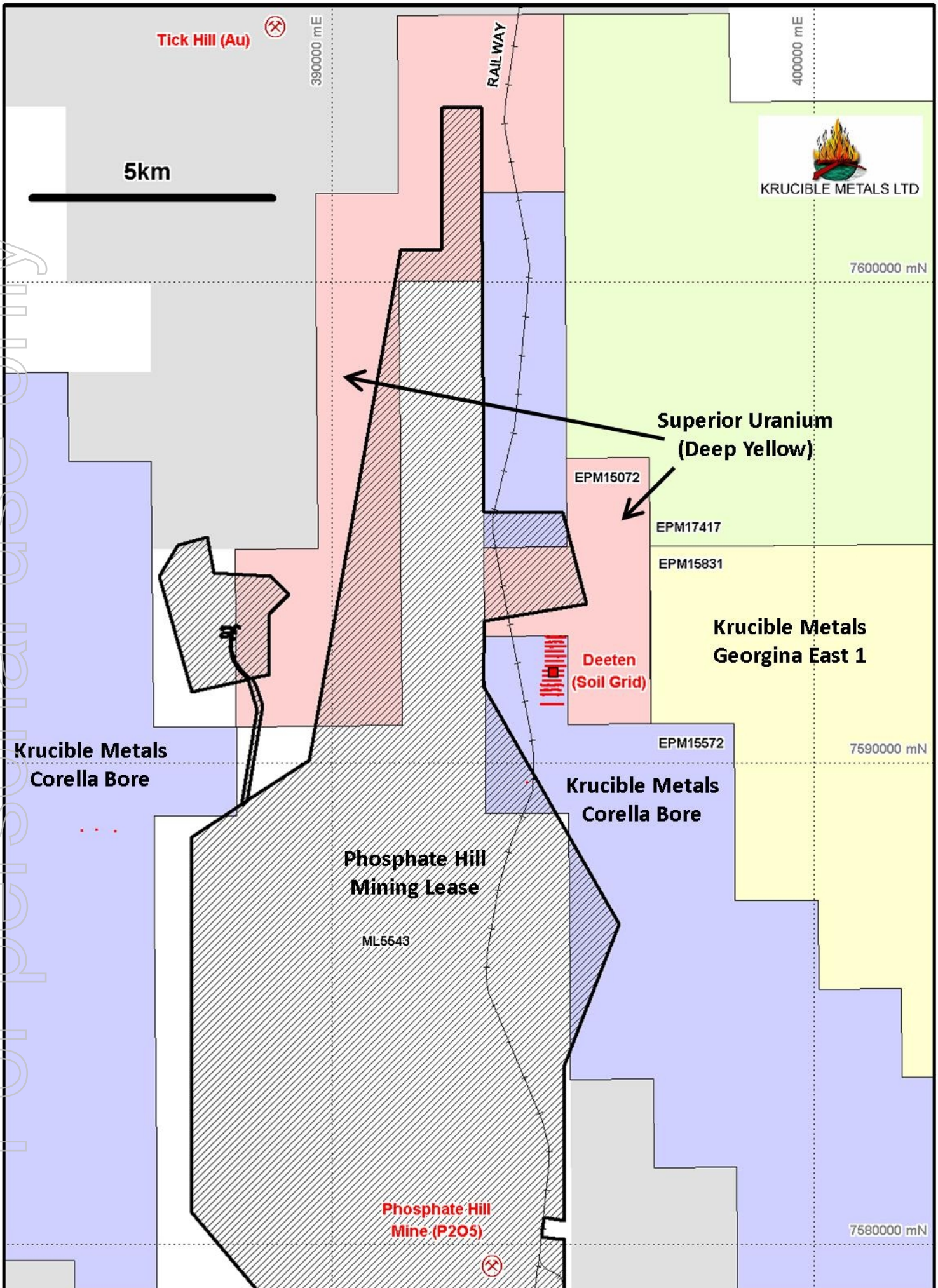
WEBSITE: www.kruciblemetals.com.au

The information in this report that relates to Exploration Results is based on information compiled by Mr. Tony Alston, a full time employee of the Company who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Alston has sufficient experience which is relevant to the style of mineralisation 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 " Australian Code of Conduct for Reporting of Exploration results, Mineral Resources and Ore Reserves". 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.

Deep Yellow Limited
Level 1 329 Hay Street Subiaco WA 6008 PO Box 1770 Subiaco WA 6904
Tel : 61 8 9286 6999 Fax : 61 8 9286 6969
Email: admin@deepyellow.com.au Website: www.deepyellow.com.au

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- EPM15572 (KRB)
- EPM15072 (Superior Uranium)
- OTHER EPMs
- EPM15831 (KRB)
- EPM17417 (Ivanhoe)
- ML5543 (Incitec Pivot)

D10 Prospect Area
Tenure Status
November 2008
FIGURE 1

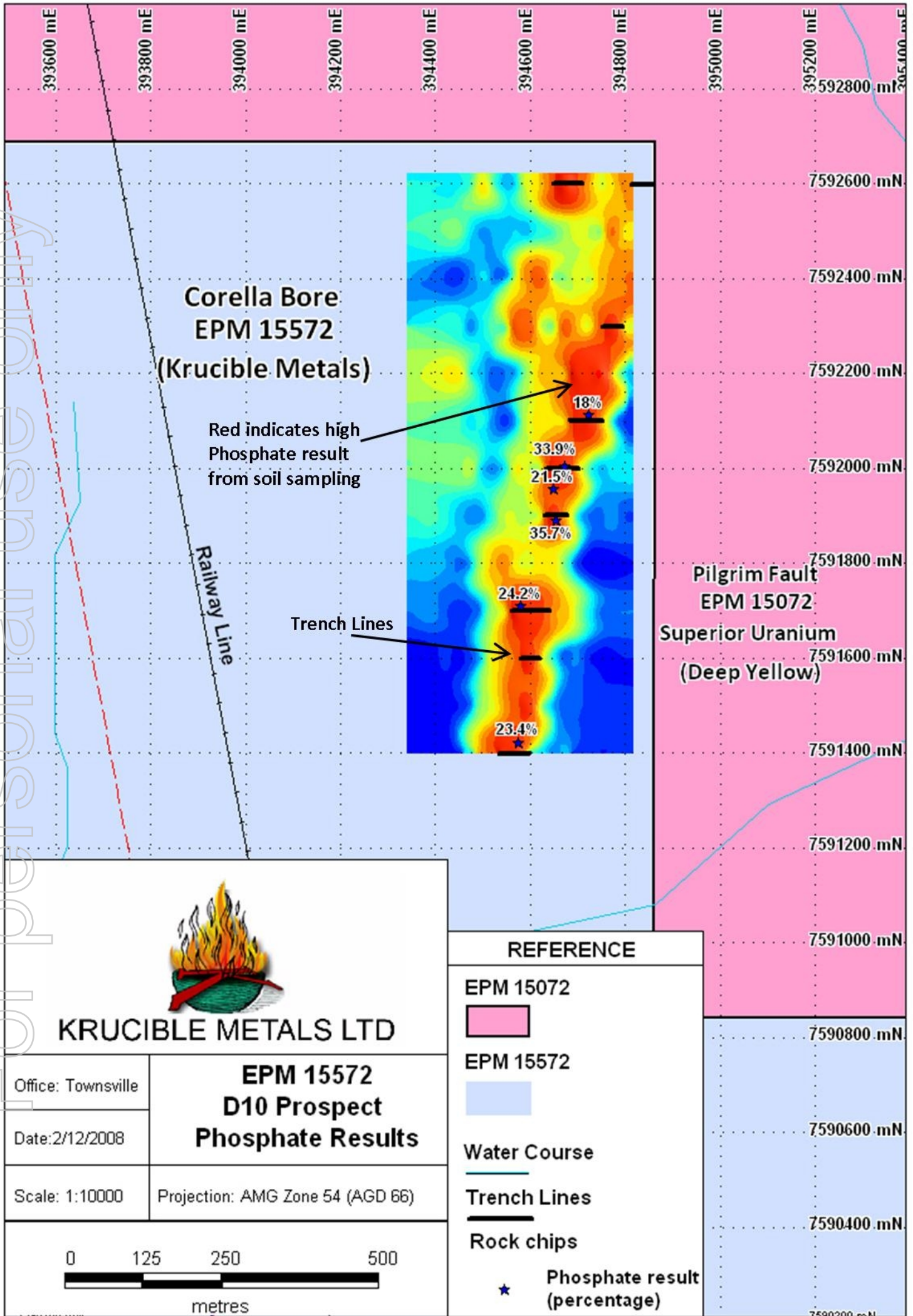


FIGURE 2