

Announcement 5th March 2013

ASX



KRUCIBLE METALS LTD

Mineral Discovery Company

ABN:12 118 788 846 ASX Code: KRB

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Listed on Australia's main stock exchange since 2007, Krucible is an Australian-based resources company with an enviable history of discovery in phosphorus and rare earths as well as other elements. Krucible continues to explore for precious metals, base metals and others, and is transitioning to a mining company. Krucible has expectations to enter a joint venture to develop a mine at Korella in the mineral rich Mount Isa area of north western Queensland where the company discovered phosphate and rare earths. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.

Launch of 2013 Exploration Program HIGHLIGHTS

The sale of Krucible's phosphate tenements and its Korella Phosphate Deposit to Daton Group Australia ("Daton") is progressing well though the contract development stages.

Krucible is beginning its exploration program this month with an emphasis on base metals, gold and rare earths moving away from phosphate which has previously been a focal point of the Company.



- Lukes Plot sampling is planned to locate copper/gold anomalies southwest of Ivanhoe's Lucky Luke deposit following the southern extension of the 'Starra line'.
- Cowie Mag upcoming exploration is planned to expand sampling across the "Cannington Structural Corridor" anomalies.
- Rare Earth Elements ("REE") research and development metallurgical testing is continuing with significant beneficiation of rare earths from Coorabulka through revolutionary new low-cost leaching technology.



1. BASE AND PRECIOUS METALS FOCUS

Krucible Minerals Ltd ("Krucible", "Company") is about to launch its comprehensive exploration program detailed in ASX announcement released 29th January 2013. This year's field work is focussed away from phosphate, and is unconfined to any particular mineral, but we are on track to resume search for base metals, precious metals, rare earths and uranium. With our financial position essentially stable, we begin in March with the relatively new Lukes Plot and Cowie Mag EPMs where previous sampling has identified areas requiring follow-up exploration.

2. DATON AND PHOSPHATE

Given the Company's pending sale of 13 phosphate bearing tenements to Daton Group Australia Ltd (Daton) as announced to the ASX on 23 January 2013, Krucible has proven it can explore successfully and convert its discoveries to shareholder wealth. It also means the emphasis on phosphate that has preoccupied us since making that discovery in 2008 is now relaxed and our exploration team has a wider focus.

Krucible is not necessarily out of phosphate as it is a commodity we now understand very well. Independently, our joint venture team hopes to continue to work with Daton to ensure the phosphate tenements, particularly Korella, are developed.

3. LUKES PLOT EPM17613

This EPM is located on the edge of the interpreted Selwyn structural/magnetic corridor which to the north is known as the 'Starra line'. The area is already host to a number of deposits owned by Ivanhoe Australia including Selwyn (copper/gold) (Figure 2), Merlin (molybdenum/rhenium) and Lucky Luke (copper/gold) with the latter situated less than 10km to the north-east of Krucible's Lukes Plot.

Previous sampling on this EPM identified an anomalous corridor of lead, silver and gold trending NE-SW following the magnetics trend. To the south-west of this located anomaly the magnetic trend continues. Krucible has identified this area as a target as there is also a near coincident gravity high. This area is thought to be prospective for copper/gold mineralisation similar to the Lucky Luke deposit along the 'Starra Line'.

Sampling here is expected to commence later in the month. It is hoped Krucible can define further anomalism from which infill sampling can be completed.

. COWIE MAG EPM17921

This EPM lies 10km northwest of the Cannington silver/lead mine which is owned and operated by BHP Billiton (Figure 1). Krucible has previously completed a number of surface sampling programs with strong results for molybdenum, lead, zinc, nickel and copper. These prospects lie on the edge of the Proterozoic outcrop where a thin layer (<20m) of recent sediments obscure the basement rocks.



Float BIF (Banded Iron Formation) was located in a 2012 reconnaissance exploration program in an area of poor outcrop. BIF is a strong indicator of mineralisation and is associated with a number of mineral deposits such as the Olympic Dam IOCG deposit in South Australia.

Subsequent surface sampling over the area has been completed and further BIF was identified, but so far no outcropping source or any mineralisation potentially associated with this unit have been discovered. Outcropping rocks in this area are lacking, however from geological mapping the area consisted of thick pegmatite dykes and quartz veins in a gneissic host (Kuridala/Soldiers Cap Group?). Patches of sub-outcropping amphibolite were also seen with these being more prominent on the eastern side of the grid. To the west of the grid granite becomes predominant (Figure 3).

Due to low anomalism in the portable XRF analysis results (completed in-house) Krucible only sent selected samples to ALS for laboratory analysis. The assayed samples returned lower than expected results. This is interpreted to be due to the lack of outcrop and recent sediments obscuring the geochemistry of the Proterozoic units. Other methods of surface sampling may be employed to discover the potential of the area. A wider sampling grid may also identify BIF in outcrop.

Elsewhere on this tenement, further sampling is required on the highly prospective moly/lead and zinc/copper/nickel prospect areas to further define these zones of potential. This work will extend current infill sampling and help with defining drill targets for a future shallow drilling program. This field work is predicted to begin near the end of this month.

5. RARE EARTH ELEMENTS (REE)

As well as pursuing its rare earth exploration agenda, with activities at Coorabulka, Yttro, and Korella, Krucible has participated in a new rare earth extraction technology research project (ASX announcements 8 October 2012, 14 November 2012) with a strategic partner.

Bench-scale testing of a low intensity leaching system for Coorabulka ore has been built and is currently operational. This system is leaching REO values from Coorabulka ore with leaching kinetics and recovery currently being established. Subject to acceptable REO recovery during the leaching trials, it is proposed that the test work will be extended to include the recovery of REO values from the leach solution and the production of REO concentrates.

Rare earths are not necessarily so rare, it's a misnomer, but extracting them from their parent ores can be extremely difficult, making them expensive and artificially rare as a final commodity. High temperature, high pressure leaching technology has been successfully utilised in the past and alternative electrochemical technologies have also been successful. With Krucible as the raw ore supplier, research has successfully developed the extraction of heavy rare earth minerals in a bench-top trial of a new ambient temperature and pressure method which also minimises acid consumption.



This project may form part of Krucible's eventual rare earth package as the Company progresses in joint venture discussions with interested parties.

Not counting the REE beneficiation project, Krucible's total research & development expenditure in 2012 was close to half a million dollars, some of which is recoverable through the ATO R&D Rebate Scheme.

6. NEW EPM APPROVALS

Krucible will retain fifteen tenements after the sale of thirteen to Daton. Of these six are applications, (see chart below). Recent progress with our applications for these new tenements has included an advertising date for Coorabulka of the 6th of March 2013, from which time it will take approximately 6 months to be granted. So Krucible is hopeful granting of this prospective EPM will occur this year.

Tenements			Applications		
Applicant	EPM Name	EPM No.	Applicant	EPM Name	EPM No.
KRB 100%	Toomba	15367	KRB 100%	Big Toby Creek	19095
KRB 100%	Kamaran	15389	KRB 100%	Flemington Fault	19099
KRB 100%	Squirrel Hills	15354	KRB 100%	Coorabulka	19286
KRB 100%	Toolebuc	19027	KRB 100%	Wheelers Creek	19475
KRB 100%	Comet Bore	19028	KRB 100%	Tertiary	19717
KRB 100%	Lukes Plot	17613	KRB 100%	Valroy	25126
KRB 100%	Cowie Mag	17921			
KRB 100%	GE1 (Georgina East)	15831			
KRB 100%	Tobermorey - NT	28170			

Attached:

FIGURES 1-3

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Allan Branch Managing Director and CEO Krucible Metals Ltd.

Further Information:

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COMPETENT PERSONS STATEMENT

"The information in this report that relates to Exploration Targets, Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Andrew J Vigar a competent person who is a Fellow of The Australasian Institute of Mining and Metallurgy (AusIMM) and is employed by Mining Associates Limited, Hong Kong. Mr Vigar has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears".

The information in this announcement relating to metallurgical results from bench top trial test work has been compiled and reviewed by Ray Koenig a Director of Krucible Metals Ltd. Ray is a Senior Project Metallurgist and Chartered Professional and Fellow of the AusIMM. Further information in this announcement relating to the Korella Deposit (PHM South) Scoping Study has been documented by Mr Ray Koenig. Mr Koenig consents to this information being included in the ASX Announcement.

The analytical results quoted for the exploration results have been supplied by ALS Chemex Laboratories utilising specialist analysis methods based on the elements required to report results.

This report contains <u>forward-looking statements</u>. 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.



Krucible Metals Tenements Location Plan

FIGURE 1





Cowie Mag EPM17621 - Lag Sampling on Google Image

FIGURE 3