



21 March 2013

ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

**Progress of Sale of Krucible Phosphate Assets to Daton**

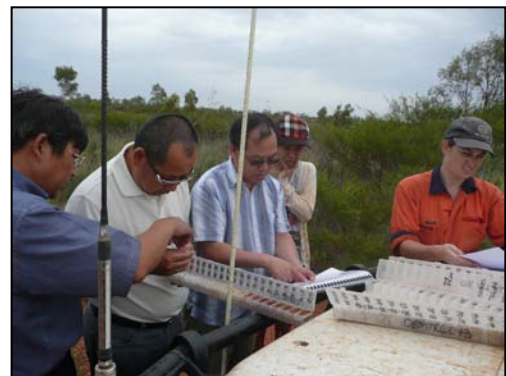
Krucible Metals Ltd (Krucible, Company) (ASX: KRB) is pleased to announce it received yesterday, the formal Sale and Purchase Agreement (SPA) from Daton Group Australia Ltd (Daton) (ASX:DTG). This agreement details the terms of the proposed sale of the Company's phosphate bearing tenements to Daton for \$12,000,000 (ASX announcement 23 January 2013).

Krucible entered into this transaction by way of a mutually executed Indicative Proposal (IP) signed by both Krucible and Daton on Monday, 21 January 2013. The IP provided a pathway for the companies to negotiate and execute an SPA which was hoped for within 30 days from the date of the IP, but which was inadvertently held up primarily by the Chinese New Year Celebrations last month from February 10 to February 24.

The progress with this project has been in line with the fast track nature of the negotiations, and the management and Board of Krucible are pleased with the momentum and the form of the negotiations, which so far has been only 8 weeks from the date of the ASX announcement. This period has involved the SPA contract negotiations and drafts, and carrying out certain field and other due diligence requirements. The latest version of the SPA has already been agreed to by Daton and is being reviewed by Krucible's legal counsel in anticipation of early execution.

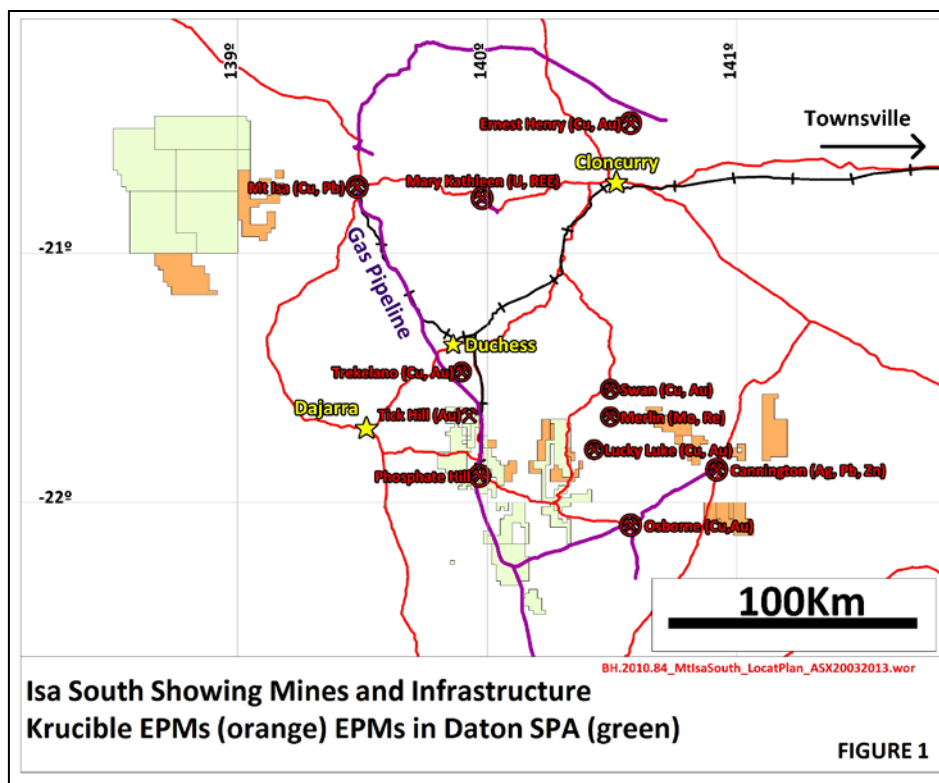
The terms of the deal were released in previous announcements to the ASX on 29 January, 30 January and 31 January 2013, however the key points are:

1. Daton will buy the eleven prospective phosphate bearing tenements held by Krucible and mining lease 90209 100% owned by our subsidiary Korella Phosphate Pty Ltd, including all other mineral rights on those tenements/mining lease. (A previously announced figure of 13 tenements doubled up on the Korella mining lease and its now redundant antecedent EPM.) (Figure 1 below.)
2. Krucible will have a first right of refusal to enter into joint ventures with Daton over other mineral rights, at the behest of Daton.
3. Work on the Conditions Precedent is in progress including resource due diligence and submission of legal title transfer documentation typical of such a transaction. Officers of Daton and Krucible are seen in the photo above during a recent field due diligence trip to Krucible's prospective areas in the Mt Isa region.
4. Daton will pay \$12m in cash for the tenements, structured as a \$1m deposit within 2 days of execution of the SPA (refundable if the tenement transfers do not occur), and a balance of \$10.8m (allowing for an agent's commission of \$200k) within 7 days of completion of the agreement.





Because Krucible has accepted equity funding from private investors over the last 6 months to finance its contract negotiations, the Company has recently made available a Share Purchase Plan (SPP) for existing shareholders to participate on equal terms and ahead of future business developments (ASX announcement 7 March 2013). Shareholders are advised that the SPP closes on Monday 25 March 2013 with no plans to extend it.



After the sale of its phosphate tenements, Krucible will still retain 15 highly prospective tenements (in orange in Figure 1). The Company is currently in the midst of its 2013 exploration program with an exploration crew at our Lukes Plot EPM looking for base metal anomalies. Further results of this program will be released as they come in. This is the beginning of the company's move away from phosphate (due to the deal with Daton) to a more pronounced focus on exploring and enhancing the base and precious metal opportunities within existing EPMs.

Sincerely,

Allan Branch  
Managing Director and CEO



#### About Krucible Metals Limited:

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 combined exploration and mining company. Krucible's long term plans involve anticipated joint venture agreements to develop deposits into mining operations on its tenements in the mineral rich Mount Isa area of northwestern Queensland. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.