



KRUCIBLE METALS LTD

Mineral Discovery Company

A.B.N. 12 118 788 846

ASX ANNOUNCEMENT

MARCH 2008

EXPLORATION UPDATE

The Directors of Krucible Metals Limited are pleased to announce some recent developments from the Company's exploration programs in the Mount Isa region of NW Queensland.

HIGHLIGHTS

- Significant copper extensions to Crackenback prospect
- Potential Mt Isa style target to be drill tested on the Ardmore North prospect
- Phosphate occurrences identified within Corella Bore EPM, appear to have excellent potential based on similarities to Phosphate Hill.
- Ten new EPM's covering gravity and magnetic anomalies applied for along the Diamantina Hinge Zone

➤ CRACKENBACK PROSPECT

This prospect is located about 16km east of the historic Selwyn copper, gold mine (see Figure 1). A helicopter supported stream sediment sampling program was carried out to investigate historically reported high gold values in heavy mineral concentrates. The Krucible work did not confirm these values and it is concluded that the widespread anomalies are probably derived from the younger Mesozoic capping the Proterozoic basement. However the Krucible investigation was successful in outlining strong copper values from stream sediments that appears to add significantly to the copper potential of the old Crackenback workings. Assays of up to 2760 ppm Cu were returned from stream sediments draining from the north of the workings. These workings extend for over 200metres with widths from 2 to 8 metres. Further work is required to define the limits of mineralisation but at present the strike potential appears to be at least 800metres.

No previous drilling information is recorded from this area and confirmation of the copper potential of this prospect is ongoing.

Detailed mapping and sampling of the Bustard Creek prospect (see Figure 4) is planned for later in 2008.



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Photo of northern extent of Crackenback workings and copper weed - the strong copper stream sediment values occur to the north & NW

➤ **ARDMORE NORTH PROSPECT**

Detailed (100 X 100m) termite soil sampling was carried out at this prospect to better define previous lead & zinc anomalies from a 400 X 200m survey (see Figure 1). Results are considered to be very encouraging with lead values up to 438 & 725 ppm in ferruginous sediments interpreted as equivalent to the Mount Isa Mine sequence (see Figure 3). These samples are located about 600m SSE of the shallow (9m) Getty RAB hole that returned 3550ppmPb.

Detailed mapping and rock sampling is planned for this area prior to proposed RC percussion drill testing in April/May 2008.



Photo (looking east) shows hill of ferruginous sediments close to Getty RAB hole



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➤ **DIAMANTINA OROGEN EPM APPLICATIONS**

Krucible has recently applied for 10 Exploration Permits for Minerals (EPMs) that have been accepted for processing by the Queensland Department of Mines & Energy (DME) (see Figure 1). These tenements cover about 4,500sq.km. The applications follow the NE trending major crustal structure known as the Diamantina Orogen (DO), along which occur a number of co-incident magnetic and gravity anomalies that have been outlined from the DME regional geophysical surveys carried out in 2007 (see Figure 2).

Krucible directors consider that this ground offers a unique exploration opportunity with potential for large iron oxide copper gold (IOCG) Olympic Dam & Ernest Henry style mineralisation in Proterozoic basement as well as uranium, vanadium & molybdenum mineralisation in younger sediments. The depth to Proterozoic basement is interpreted to range from 200 to 1000metres with major uplift and dislocation possible from this probable mantle tapping fault. The EPM's are not expected to be granted by the DME for 12 to 18 months.

➤ **PHOSPHATE AT CORELLA BORE**

Recent research by Krucible of work previously performed by Mines Exploration P/L (MEX) in 1966-68, has indicated possible ore grade phosphate on or close to Krucible's Corella Bore EPM 15572 (see Figure 1).

The Phosphate Hill Mine (located 150 km SSE of Mt Isa) is one of the world's largest producers and is operated by Incitec Pivot Ltd. Surface sampling by MEX at the D10 prospect (located about 11.5km north of Phosphate Hill) returned 23m @ 12.5% phosphate (P₂O₅), including 2m @ 26% P₂O₅ - this is within EPM 15572. Drilling at Phosphate South by MEX returned up to 7m @ 26% P₂O₅ - this area is approximately 500m from the Krucible Corella boundary. The reserve ore grades at Phosphate Hill are quoted at around 23%. Krucible intends to carry out investigations of phosphate potential, particularly in areas where the host Cambrian sediments (Beetle Creek Formation & Monastery Creek Group) are known to occur in Krucible ground.

It is believed that these recent developments may significantly add to the value of the Krucible's diverse portfolio in the coming year.



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Attached : Figures 1 -4

Tony Alston

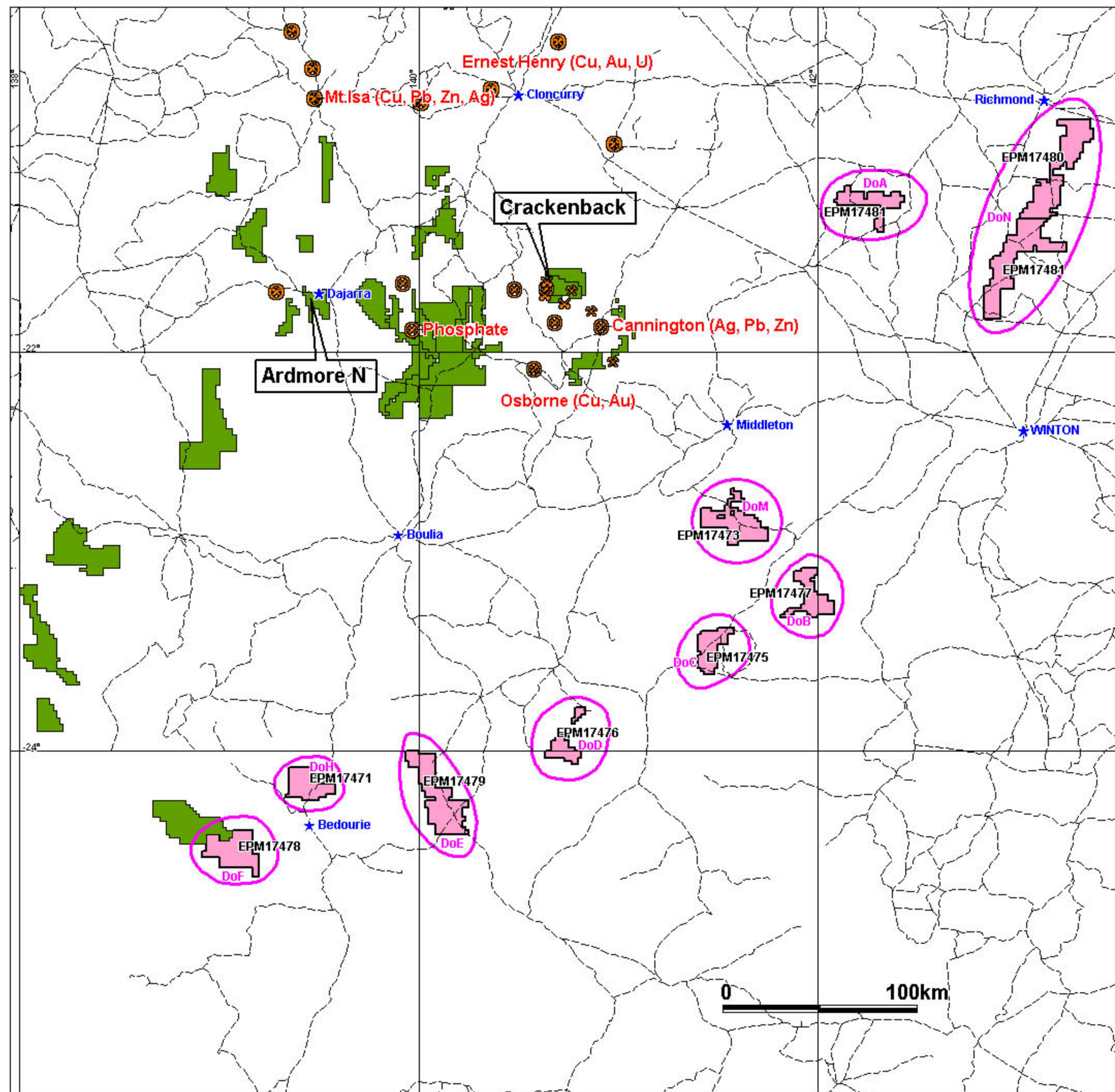
Managing Director

Further Information : Ph: (07) 47725880

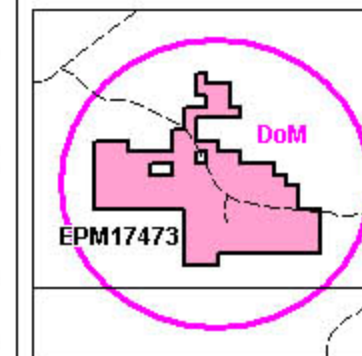
Krucible Metals Limited

WEB SITE : www.kruciblemetals.com.au

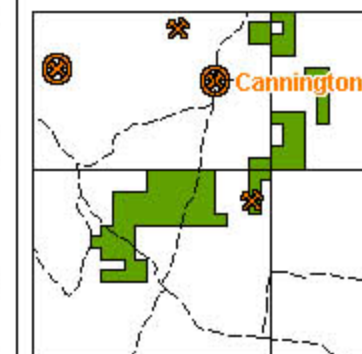
The information in this report that relates to Exploration Results is based on information compiled by Mr. Tony Alston, a full time employee of the Company who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Alston has 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.



REFERENCE



**Diamantina Orogen
Target Zones and
Krucible EPM Application Boundary**



Current Krucible EPM

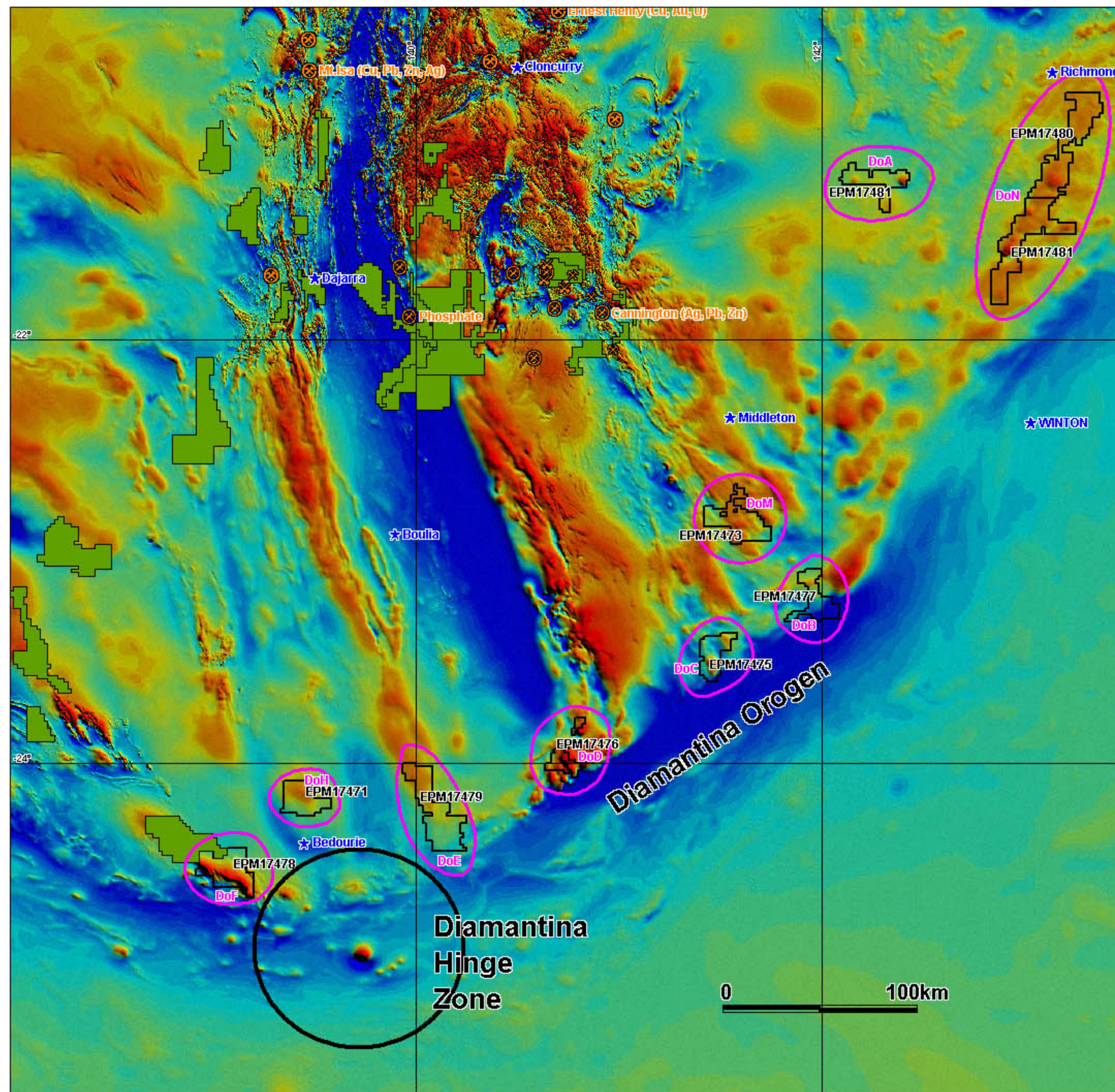


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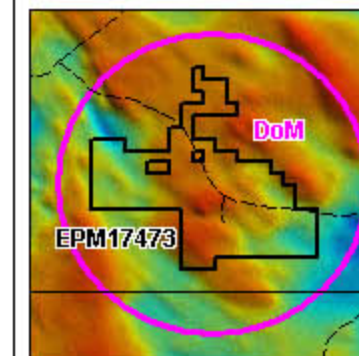
**Diamantina Orogen
EPM Applications**

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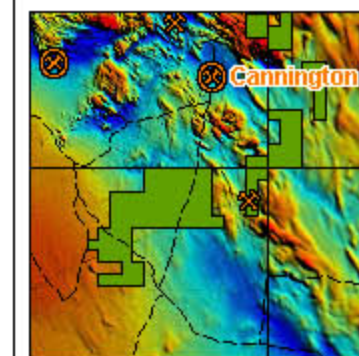
Figure 1



REFERENCE



**Diamantina Orogen
Target Zones and
Krucible EPM Application Boundary**



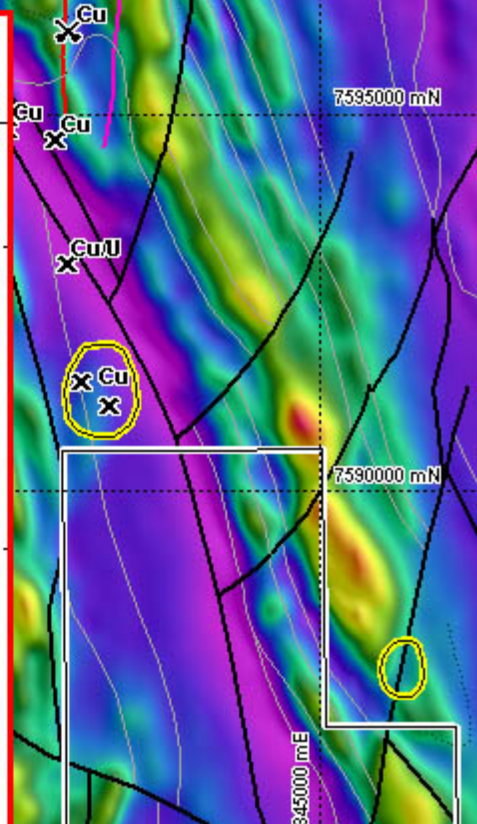
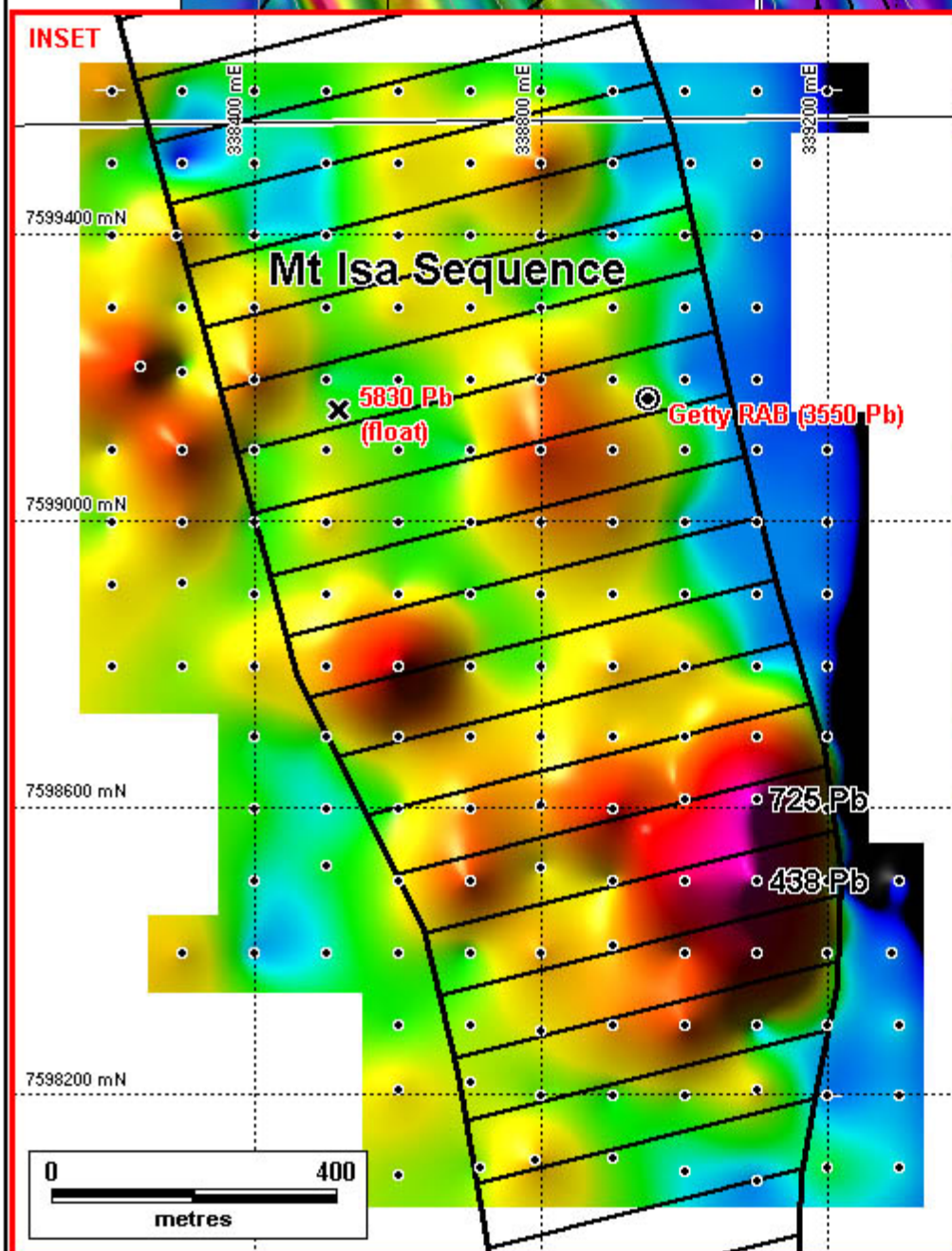
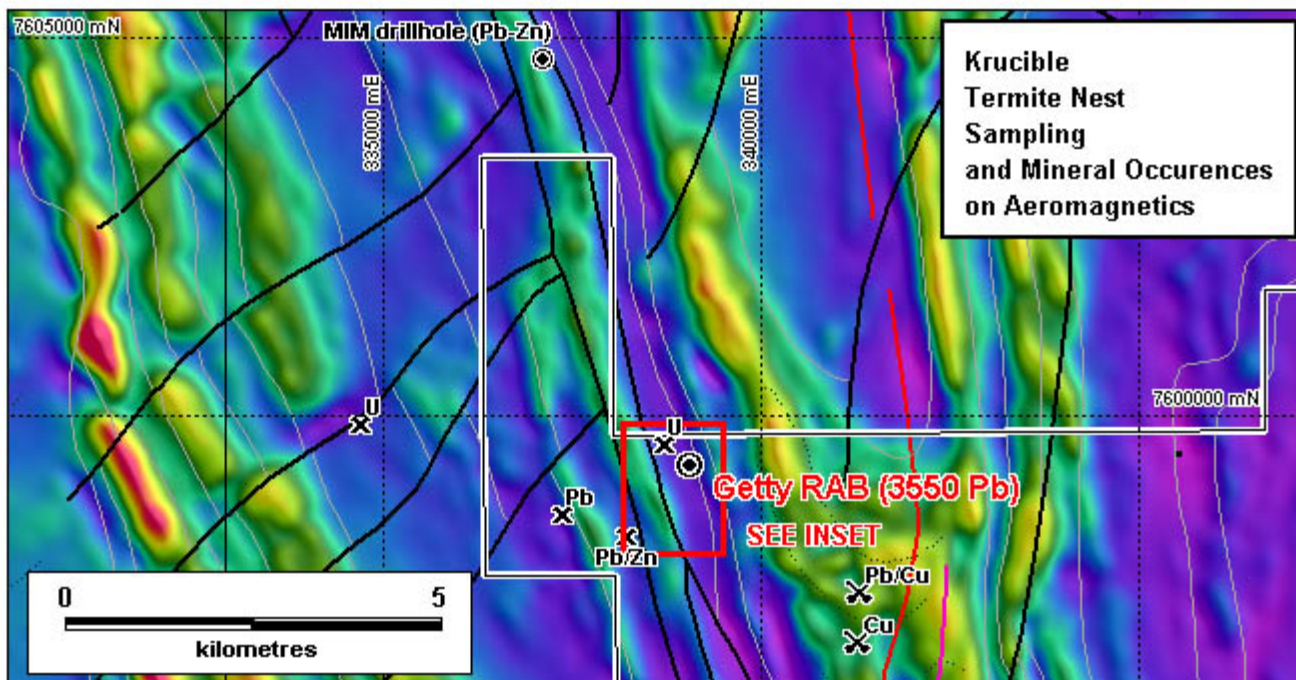
Current Krucible EPM



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**Diamantina Orogen
EPM Applications
and Magnetics**

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Figure 2

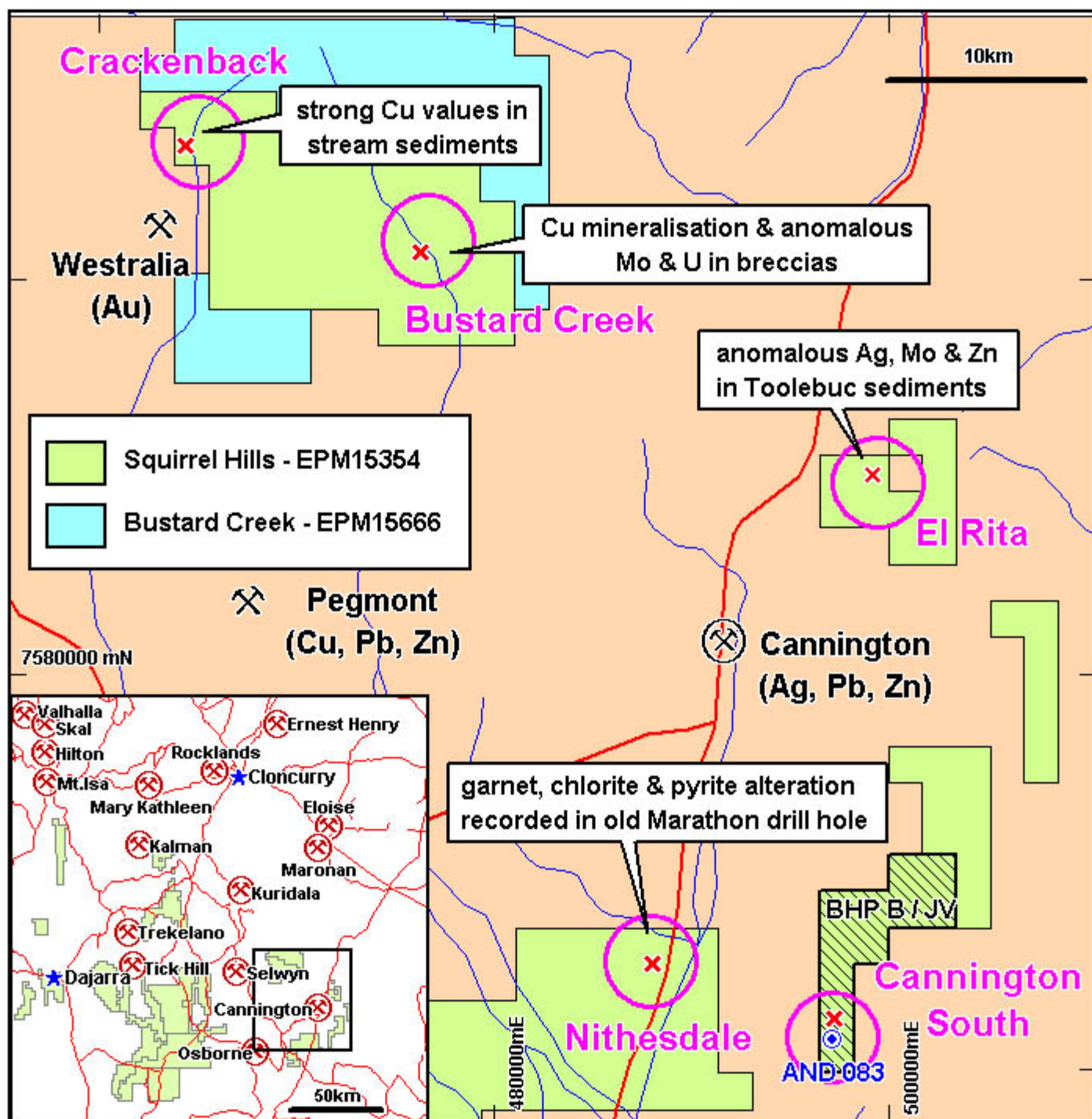


**EPM15487 Ardmore
Lead Termite Results
(100m x 100m)
March 2008**



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Figure 3



**Squirrel Hills Project
Location Plan Showing Prospective Areas
and Krucible EPMs
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Figure 4