



KRUCIBLE METALS LTD

Mineral Discovery Company

A.C.N. 12 118 788 846

ASX ANNOUNCEMENT 27th May 2008

DRILLING OF PHOSPHATE & BASEMETALS TARGETS SCHEDULED TO COMMENCE IN JUNE 2008

The directors of Krucible Metals Limited are pleased to announce that contracts have been signed for two drill rigs to test various phosphate, basemetal and gold targets at the GEORGINA EAST project area located about 150 km south east of Mount Isa in north west Queensland. The drilling is scheduled to commence in mid to late June 2008.

A summary of recent exploration progress and activities planned for this area is outlined below

- All land clearances and permits have been obtained for the Merlin Tank, Corella Bore, The Bluff & Ardmore Exploration Permits for Minerals (EPMs) facilitating commencement of drilling when rigs are available
- The two drill rigs booked will carry out RC percussion & air core drilling - a total of approximately 6000 metres is planned for the above EPMs
- At the Merlin Tank EPM 15811 (located about 40km NE of Phosphate Hill Mine) Krucible will be following up previous wide spaced drilling carried out by Newmont Pty Ltd in 1975 on a 4km by 1km spacing - this returned up to 12% P₂O₅ from shallow depths (10-40metres) in the phosphatic Beetle Creek Formation of Cambrian age. Recent rock chip sampling by Krucible has returned up to 23.6 % P₂O₅ and results of wide spread lag sampling over this area are expected soon
- Drill testing of strong copper/gold soil and lag anomalies will also be carried out at Merlin Tank. These anomalies are in poorly outcropping terrain but rock chip sampling has returned up to 10.2 g/t gold and 13.6 % copper from Proterozoic mafic rocks; interpreted to be similar to those hosting the Iron Oxide Copper Gold (IOCG) at Selwyn, Swan and Osborne
- A new EPM 17613 (Luke's Plot) has been applied for by Krucible - this is close to the copper/gold Lucky Luke Mining Lease held by Barrick Gold Corporation and also contains up to 12% phosphate from previous drilling by Newmont



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- Possible down dip and strike extensions to the high grade phosphate development in the Beetle Creek Fm at Phosphate Hill Mine (PHM) will be drill tested by the Company on EPMs 15572(Corella Bore) and 15703 (The Bluff). This drilling will include testing of new target areas located about 5km-10km south east of PHM. Drill hole depths are expected to be 40-80m
- At Ardmore (located about 100km south of Mount Isa) strong lead and zinc soil anomalies, associated with ferruginous sediments, will be tested to depths of 150-200 metres. The target lithology is interpreted to similar age to that hosting the basemetal mineralisation at the Mount Isa Mine
- Preliminary analytical results from these exciting drill programs are not expected until August 2008

See attached Figures 1 & 2.

Tony Alston

Managing Director

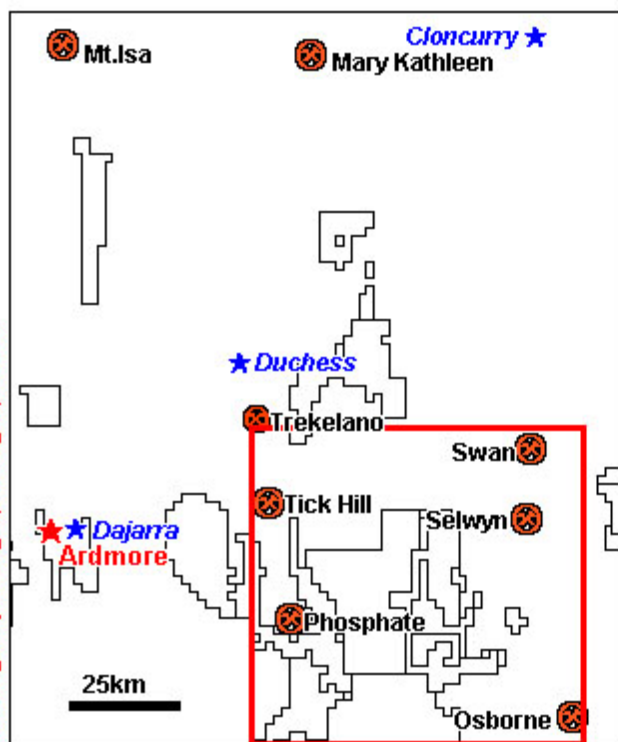
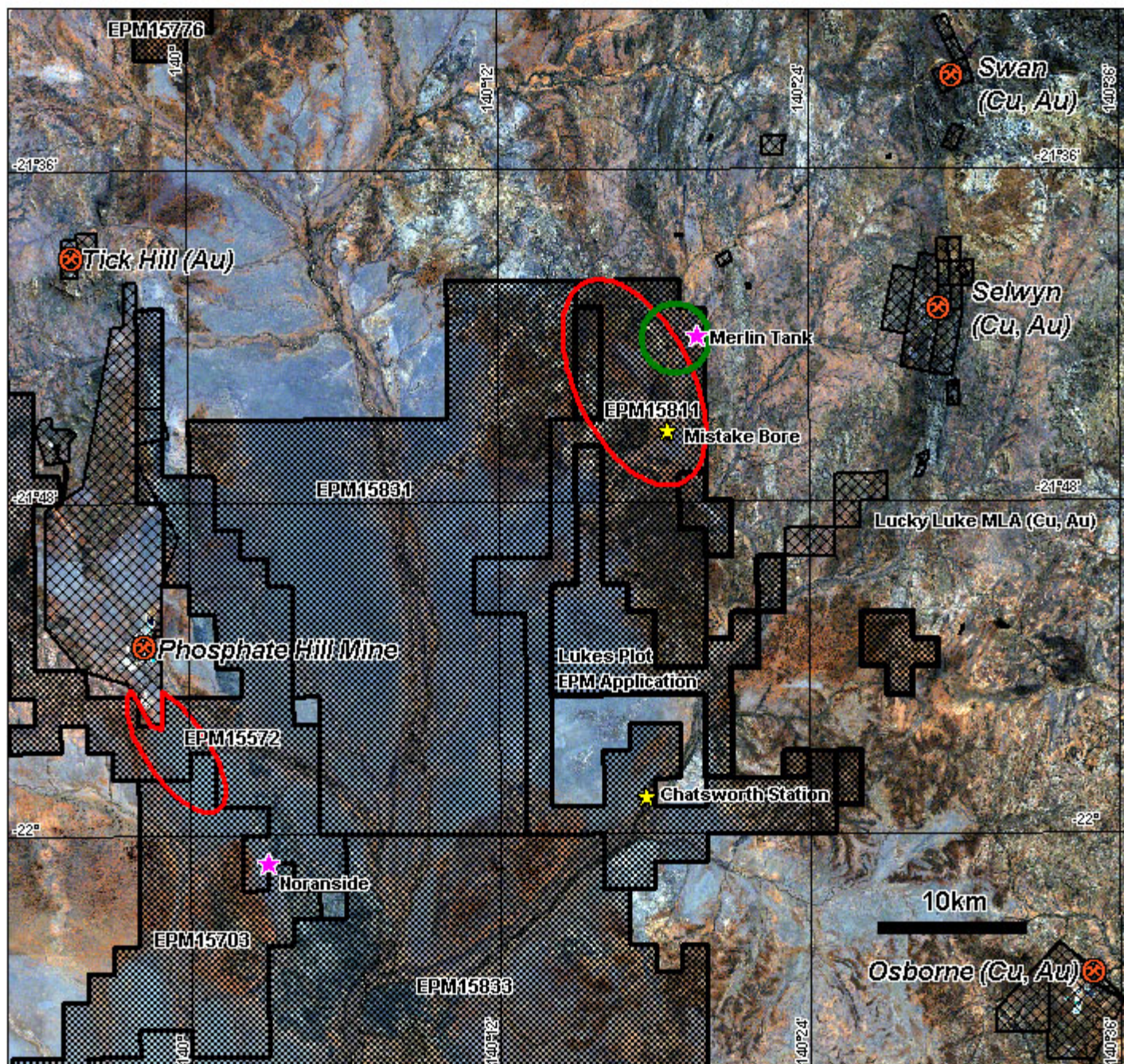
Krucible Metals Limited

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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

-  Proposed Drilling for Phosphate Targets
-  Proposed Drilling for Copper/Gold Targets
-  Mine Lease (Other Company)
-  Krucible EPMS



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**GEORGINA EAST PROJECT AREA
SHOWING PROPOSED DRILLING AREAS**

Figure 1

