



ASX ANNOUNCEMENT

17 SEPTEMBER 2009

INCREASED PHOSPHATE RESOURCE FOR KRUCIBLE
AT CORELLA BORE EPM 15572 / PHM SOUTH DEPOSIT

The Directors of Krucible Metals Ltd are pleased to announce that an updated JORC compliant Inferred Resource has been calculated for the PHM South deposit; based on recent RC Percussion drilling over the southern half of the 3.7km strike length of Phosphate enrichment.

A summary of the SIGNIFICANT INCREASE in the Phosphate content of the Inferred Resource is shown below.

Table 1

CORELLA BORE / PHM SOUTH INFERRED RESOURCE INCREASE
COMPUTER POLYGONAL METHOD

| Cut-Off | Updated Inferred Resource | Previous Inferred Resource | % Increase in Contained Phosphate |
|-----------------------------------|--|---|--|
| 10% P ₂ O ₅ | 19.3 million tonnes @ 19.0% P ₂ O ₅ | 8.3 million tonnes @ 21.1% P ₂ O ₅ | + 109% |
| 20% P ₂ O ₅ | 8.3 million tonnes @ 27.3% P ₂ O ₅ | 4.4 million tonnes @ 30.1% P ₂ O ₅ | + 73% |
| 25% P ₂ O ₅ | 5.0 million tonnes @ 30.8% P ₂ O ₅ | 3.3 million tonnes @ 32.7% P ₂ O ₅ | + 43% |

The PHM South deposit is within the 100% Krucible owned Corella Bore tenement which is located about 150km SE of Mount Isa and 5km south of the Phosphate Hill Mine, owned and operated by Incitec Pivot Ltd. (see Figure 1 and 2).



Details of the previous Inferred Resource calculations were released in the Krucible ASX Announcement dated 22nd July 2009 (“**Maiden Phosphate Resource for Krucible...**”) and copies are available from the Company upon request.

The nominal drill pattern for the latest Resource estimate was 200 x 100 metres (see Figure 3).

As can be seen from Table 1 the Phosphate content doubled at 10% P₂O₅ cut-off and increased by 73% and 42% respectively at the 20% and 25% cut-off's. A full outline of the Resource Update is outlined in Table 2.

The outlines of the Resource polygons are shown on Figures 4-6.

COMMENTS ON RESOURCE UPDATE

- 🔥 As a result of recent drilling the Directors of Krucible believe that we have a relatively simple stratigraphic Phosphate orebody that has an interim JORC compliant Inferred Resource of 8.3 million tonnes @ 27.3% P₂O₅ (at 20% cut-off) and 5.0 million tonnes at 30.8% P₂O₅ (at 25% cut-off).
- 🔥 The Company is currently carrying out a Scoping Study to ascertain a range of economic parameters for mining and aims to produce up to 3.6 million tonnes at around 32% P₂O₅ over a 6 year period, at an annualised rate of 0.6 million tonnes. 3.2 million tonnes @ 32.2% P₂O₅ was previously identified as the maiden Inferred Resource using 25% P₂O₅ as a lower cut-off grade (manual polygonal method).
- 🔥 The scenario envisaged for this operation is mining high grade direct shipping ore (DSO) as a dry mining operation without the need for any wet beneficiation processes.
- 🔥 If the **Scoping Study** is positive (this includes projection of Phosphate prices in the future) then the Company will initiate a **Pre-Feasibility Study** (PFS) to ascertain if it is feasible to convert the high grade Inferred Resource to a minable resource in an optimised pit scenario at the rate of 0.5 million tonnes a year.
- 🔥 Infill drilling will be carried out during the PFS to advance the high grade DSO Resource to Indicated/Measured status.
- 🔥 The PFS will also examine more closely market opportunities and likely off take agreements both in Australia and overseas for Phosphate products ranging from 23% - 32% P₂O₅. The existing infrastructure of rail lines, road, power grid and operating mines, within 10km of PHM South, are likely to be especially favourable for the PFS.



- 🔥 Whilst these are challenges ahead for development the Company believes that, with favourable market conditions, there is an opportunity at PHM South to set up a viable commercial operation for premium Phosphate products.

Attached: Figures 1-6

Tables: 2

Tony Alston
Managing Director
Krucible Metals Ltd.

Further Information: Mr. Tony Alston Ph: (07) 4772 5880

WEBSITE: www.kruciblemetals.com.au

Information of a scientific or technical nature in this report was prepared under the supervision of A.J. Tony Alston, CEO and Chief Geologist of Krucible, who is a member of the Australian Institute Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Alston has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a “competent person” as defined in the 2004 edition of the “Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Alston has reviewed and approved Krucible’s quality assurance program, quality control measures, the geology, samples collection and testing procedures the basis for information contained in this report. For further information regarding the PHM South deposit, including a description of in respect of the PHM South deposit please refer to reports and releases to the Australian Stock Exchange over the last 18 months together with the Company’s website at www.kruciblemetals.com.au

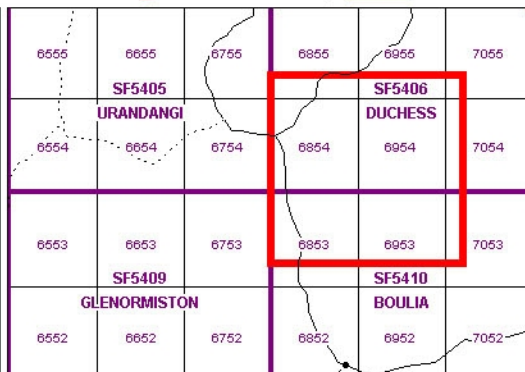
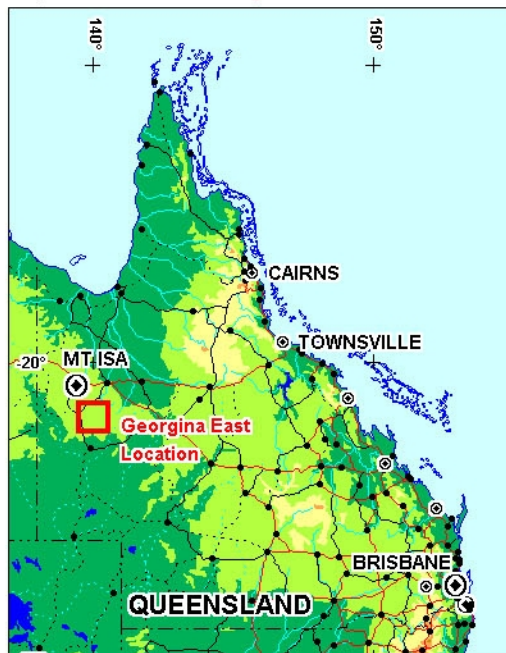
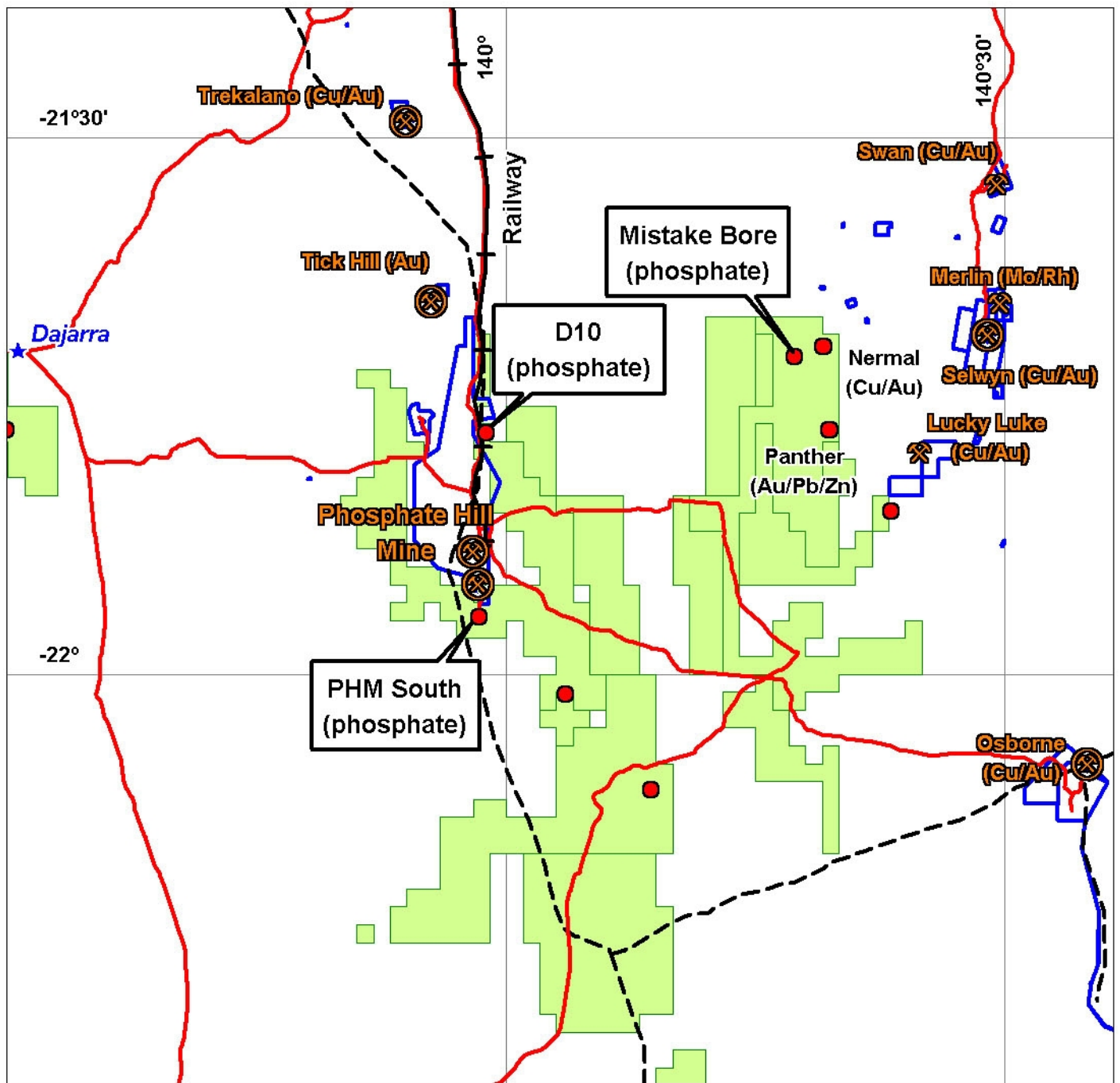
This report contains forward-looking statements. These forward-looking statements reflect management’s current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward looking statements.

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.

CORELLA BORE EPM 15572 / PHM SOUTH PHOSPHATE DEPOSIT

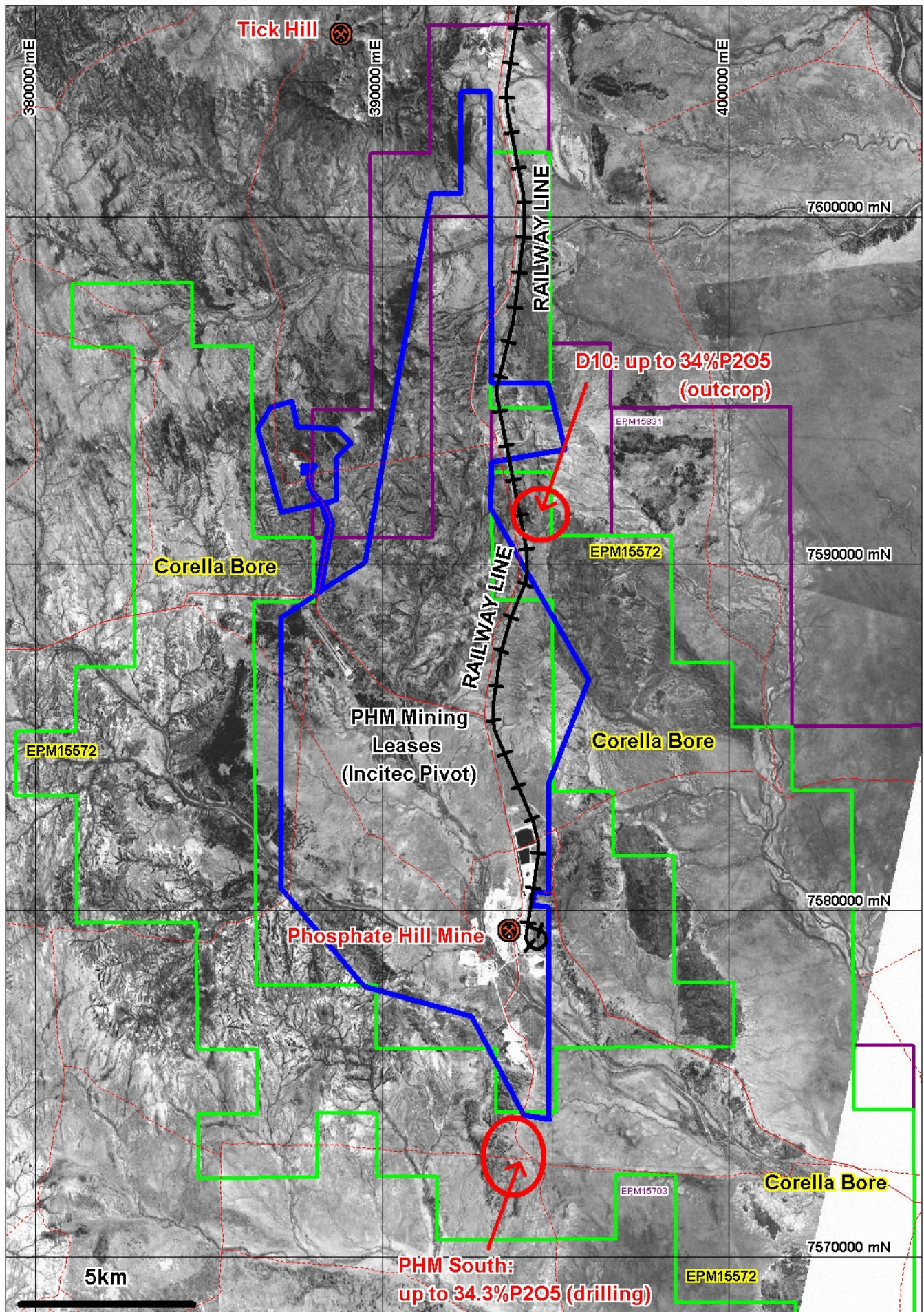
RESOURCE UPDATE: 12 September 2009 (COMPUTER GENERATED POLYGONAL METHOD)

| BLOCK | CUT-OFF (% P ₂ O ₅) | TONNAGE & GRADE | R ₂ O ₃ % (Al ₂ O ₃ + Fe ₂ O ₃) | SiO ₂ % | CaO / P ₂ O ₅ |
|--------------|---|---|---|-----------------------|-------------------------------------|
| North | 10% | 8.3 million tonnes @ 21.1% P ₂ O ₅ | 3.8 | 40.9 | 1.34 |
| Central | 10% | 2.2 million tonnes @ 17.2% P ₂ O ₅ | 4.0 | 50.5 | 1.34 |
| South | 10% | 8.8 million tonnes @ 17.4% P ₂ O ₅ | 5.6 | 48.4 | 1.30 |
| TOTAL | 10% | 19.3 million tonnes @ 19.0% P₂O₅ | 4.6 | 45.4 | 1.32 |
| North | 20% | 4.4 million tonnes @ 30.1% P ₂ O ₅ | 3.1 | 19.7 | 1.42 |
| Central | 20% | 0.76 million tonnes @ 24.7% P ₂ O ₅ | 3.6 | 33.4 | 1.35 |
| South | 20% | 3.11 million tonnes @ 23.9% P ₂ O ₅ | 4.2 | 33.7 | 1.36 |
| TOTAL | 20% | 8.3 million tonnes @ 27.3% P₂O₅ | 3.56 | 26.2 | 1.39 |
| North | 25% | 3.3 million tonnes @ 32.7% P ₂ O ₅ | 2.6 | 12.6 | 1.40 |
| Central | 25% | 0.34 million tonnes @ 27.8% P ₂ O ₅ | 3.1 | 26.8 | 1.35 |
| South | 25% | 1.38 million tonnes @ 27.1% P ₂ O ₅ | 4.2 | 24.1 | 1.32 |
| TOTAL | 25% | 5.0 million tonnes @ 30.8% P₂O₅ | 3.0 | 16.7 | 1.37 |



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MT ISA SOUTH AREA
Krucible Tenements, Mines and Infrastructure

FIGURE 1

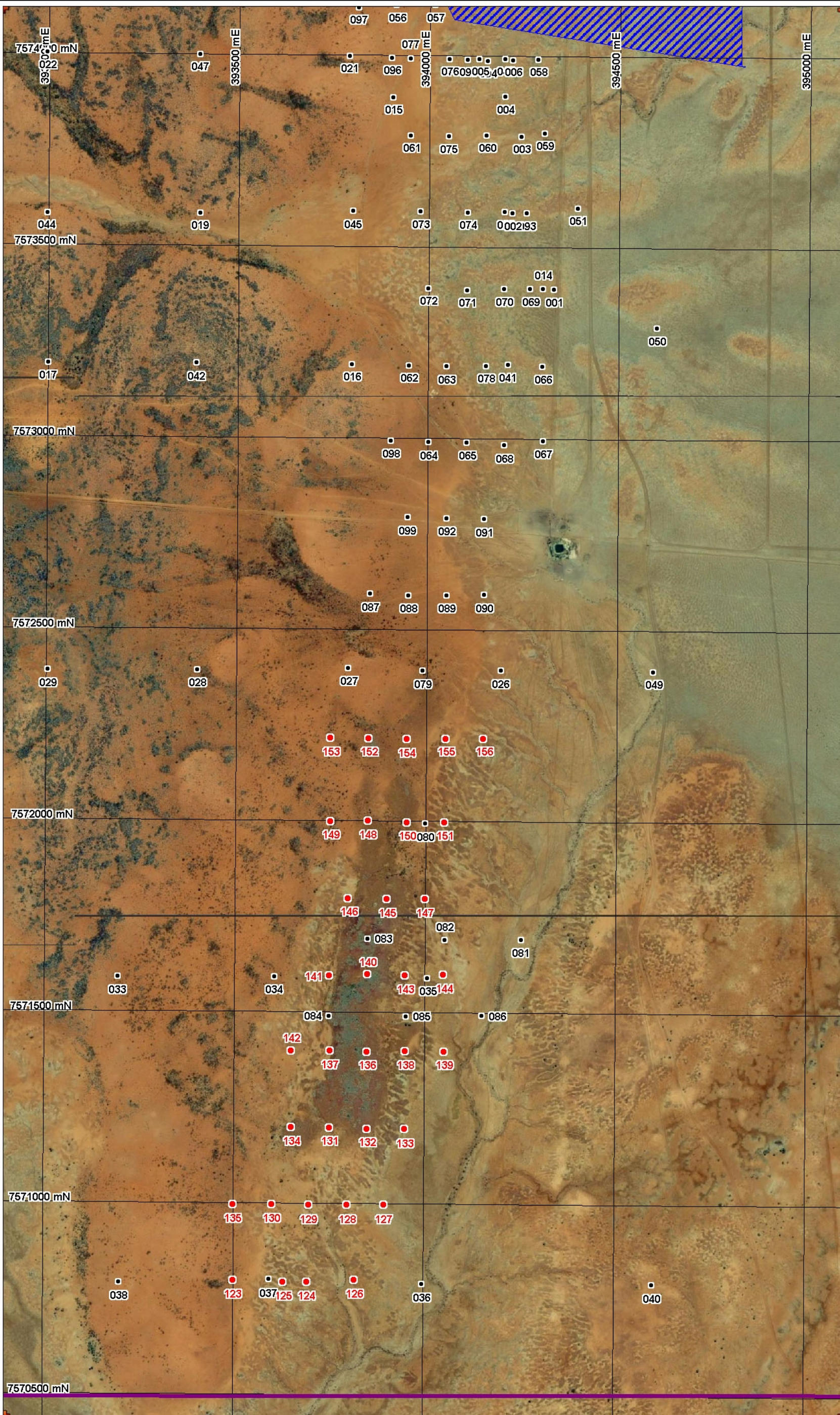


**EPM15572 Corella Bore
Phosphate Hill Area
Showing Krucible Phosphate Target Areas**

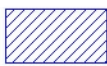

FIGURE 2

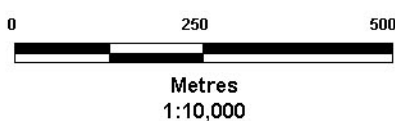


**Krucible
Metals LTD**



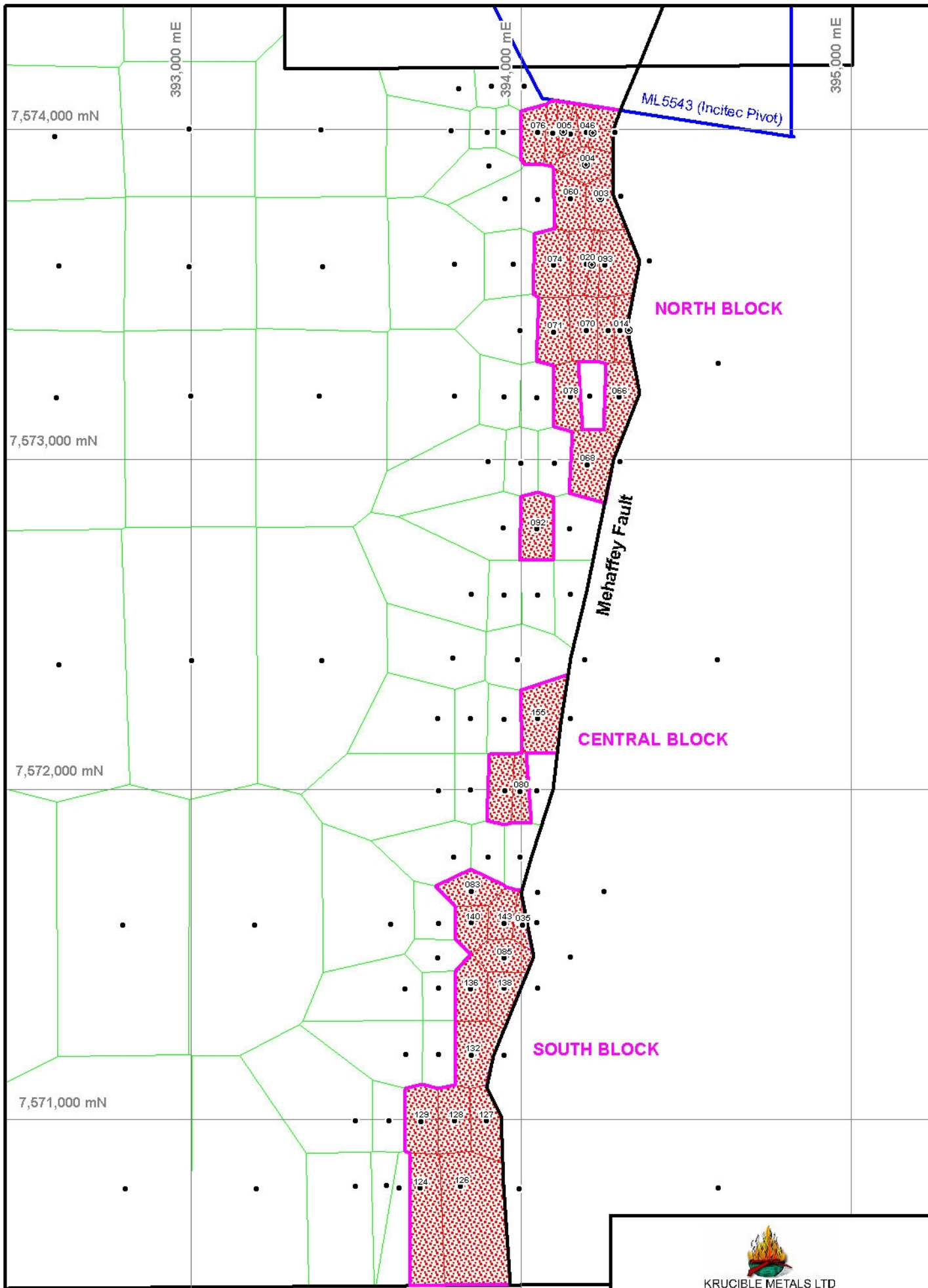
REFERENCE

- Previous Drilling (Krucible Metals Ltd)
- Drilling completed - July/August 2009
-  Incitec Pivot PHM Lease
-  Krucible EPM Outline



**Corella Bore - EPM15572
PHM South - Deposit
Completed Drilling shown on Google Image
July/August 2009**


Figure 3



- Diamond Drillhole
- RC Drillhole
- Voronoi Polygons (20% Cutoff)

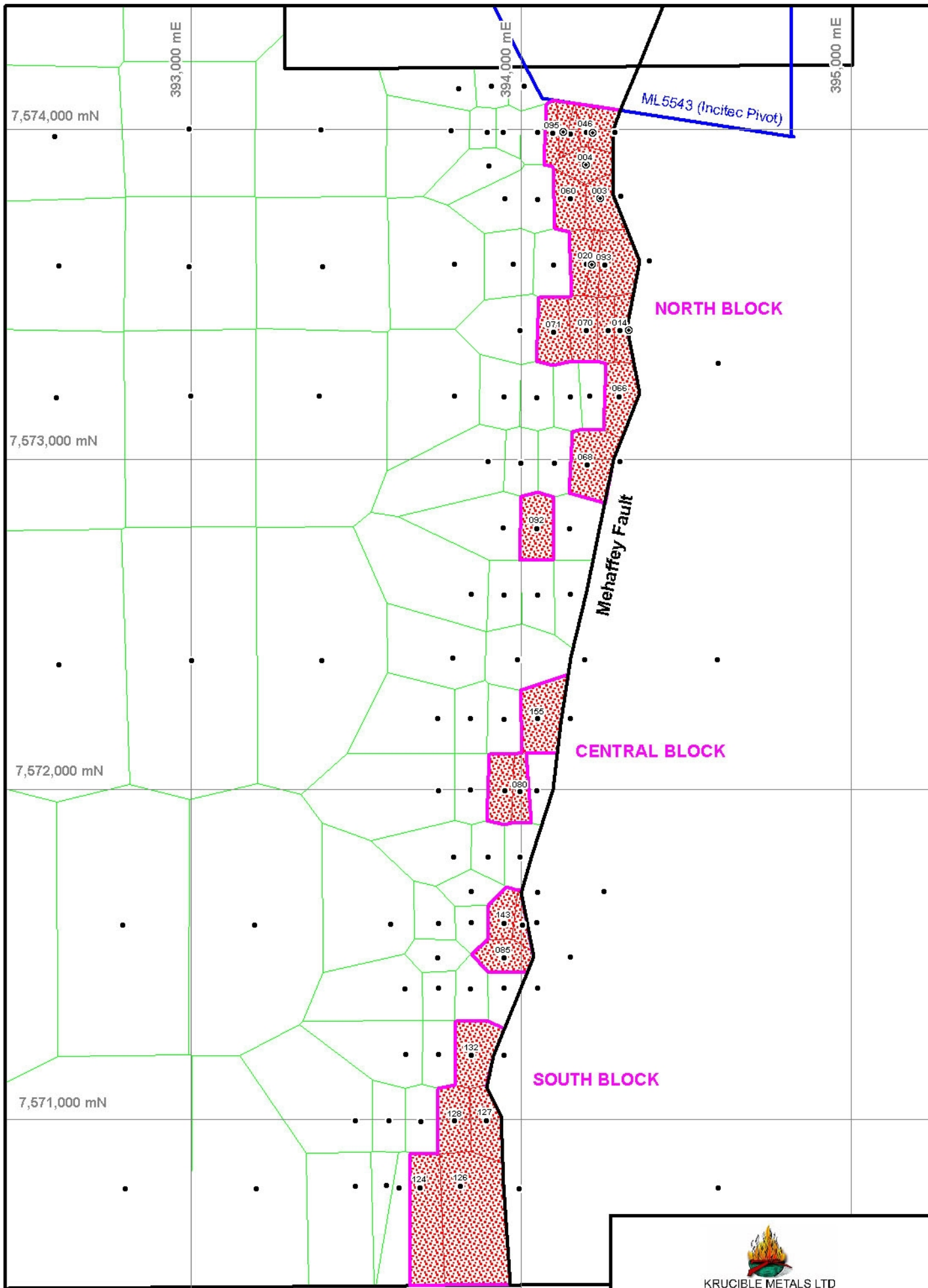


Metres
1:15,000
AMG Zone 54 (AGD66)



KRUCIBLE METALS LTD
Mount Isa Project
EPM15572 "Corella Bore"
PHMS Prospect
P2O5 Resource Estimate
Voronoi Polygon Method
20% Cutoff

Figure 5



| | | |
|--|---|---|
|  <p>Terra Search Pty Ltd 1/9/2009</p> <p><i>KRBCNS0016_PHMS_VoronoiResource_15ka4p[L_X25].wor</i></p> |  Diamond Drillhole |  <p>0 250 500</p> <p>Metres 1:15,000</p> <p>AMG Zone 54 (AGD66)</p> |
| |  RC Drillhole | |
|  Voronoi Polygons (25% Cutoff) | | |



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Mount Isa Project

EPM15572 "Corella Bore"

PHMS Prospect

P2O5 Resource Estimate

Voronoi Polygon Method

25% Cutoff

Figure 6