



KRUCIBLE METALS LTD
Mineral Discovery Company
ABN 12 118 788 846

ASX ANNOUNCEMENT
PRESENTATION – FERTILISER OUTLOOK BRIEFING
21ST OCTOBER 2010

Please see the attached ASX Announcement relating to the Krucible presentation given at the 2010 Fertiliser Outlook Briefing held in Melbourne from the 21st – 22nd October.

Krucible Director Ray Koenig, who is a Senior Metallurgist with extensive experience in project development, presented at this Conference. Ray is an AusIMM Chartered Professional and a Fellow of the AusIMM and is the Project Manager for the Korella Phosphate Project located near the Phosphate Hill Mine in North West Queensland.

Attached: Fertiliser Outlook Briefing Presentation October 2010

Tony Alston
Managing Director
Krucible Metals Ltd.

Further Information: Mr Tony Alston
Phone (07) 4772 5880

WEB SITE: 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 Korella Deposit (PHM South) discovery 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.

Information in this Announcement relating to the Korella Deposit (PHM South) Scoping Study has been documented by Mr Ray Koenig, who is a Senior Project Metallurgist and Chartered Professional and Fellow of the AusIMM. Mr Koenig consents to this information being included in the ASX Announcement.



**KORELLA PHOSPHATE PROJECT
PROGRESS AT PHOSPHATE HILL
IN NW QUEENSLAND**

**RAY KOENIG – Director Krucible
Metals Ltd**

**3RD AUSTRALIAN FERTILIZER
OUTLOOK BRIEFING
CONFERENCE - Melbourne
21 October 2010**

DISCLAIMER

This presentation is an overview of the Company prepared with good intention. It is not a prospectus and offers no securities for subscription or sale in any jurisdiction, nor a securities recommendation.

All information necessary for investment decisions is not contained herein and investors are encouraged to conduct their own research of Krucible Metals Ltd in conjunction with legal, tax, business and financial consultation.

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This presentation may refer to the intention of Krucible Metals Ltd but it does in no way intend to forecast forward looking statements or future matters for the purposes of the Corporations Act or any other law. Future events are subject to risks and uncertainties, and as such results, performance and achievements may in fact differ from those referred to in this presentation.

No liability is accepted for any loss, cost or damage suffered or incurred by the reliance on the sufficiency or completeness of the information, opinions or beliefs contained forthwith. Research, evaluation and analysis of the business, data and property are encouraged before making financial investments. Any estimates, projections or opinions contained herein may involve subjective judgement, analysis and interpretation, and satisfaction of ones owns decisions should be undertaken.

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KRUCIBLE METALS CORPORATE

Marcus Harris (Chairman, Geologist)

Tony Alston (Managing Director, Geologist)

Dennis Lovell (Secretary and Financial / Director)

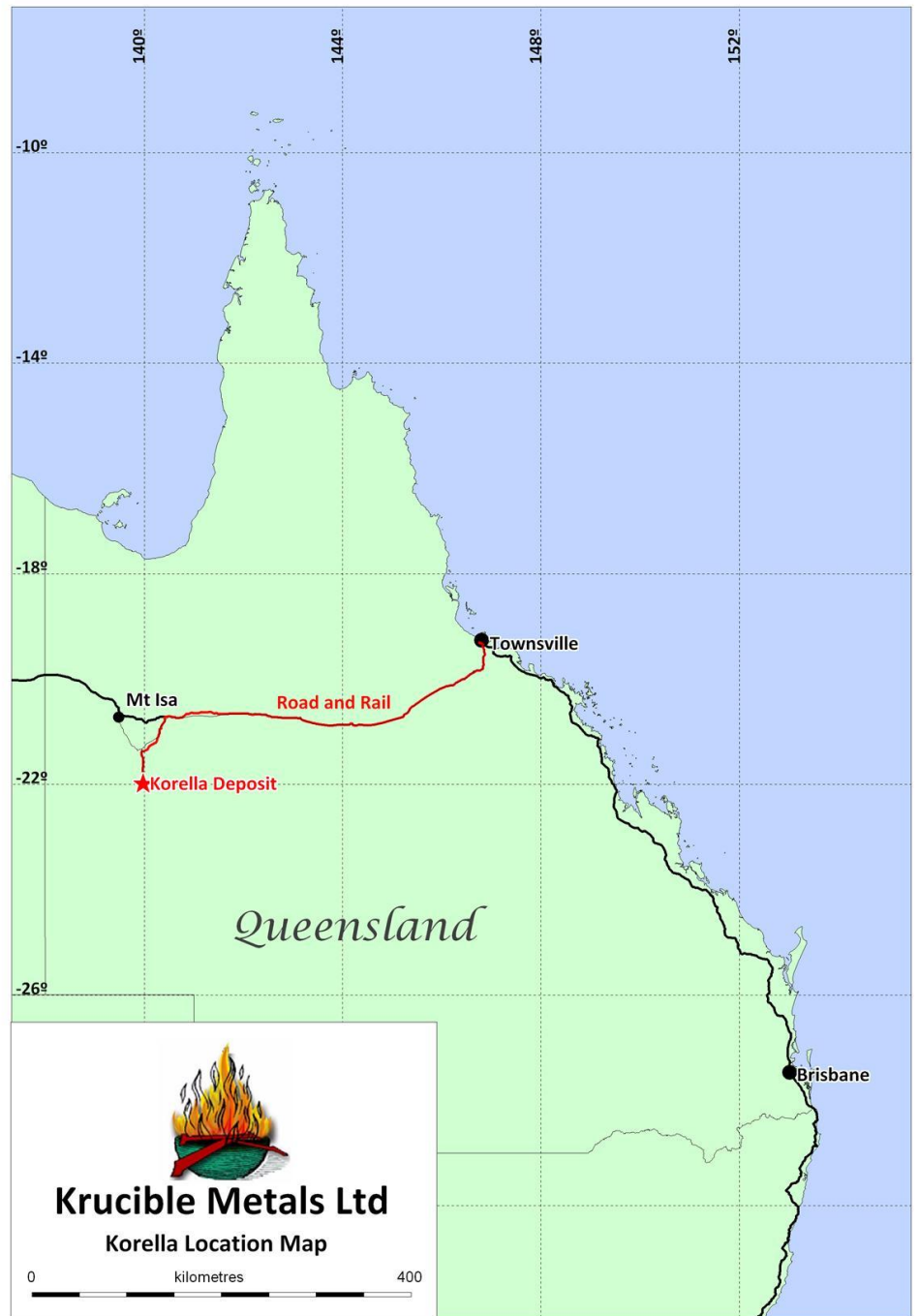
Ray Koenig (Director, Metallurgist) (Project Manager for Korella Phosphate Project)

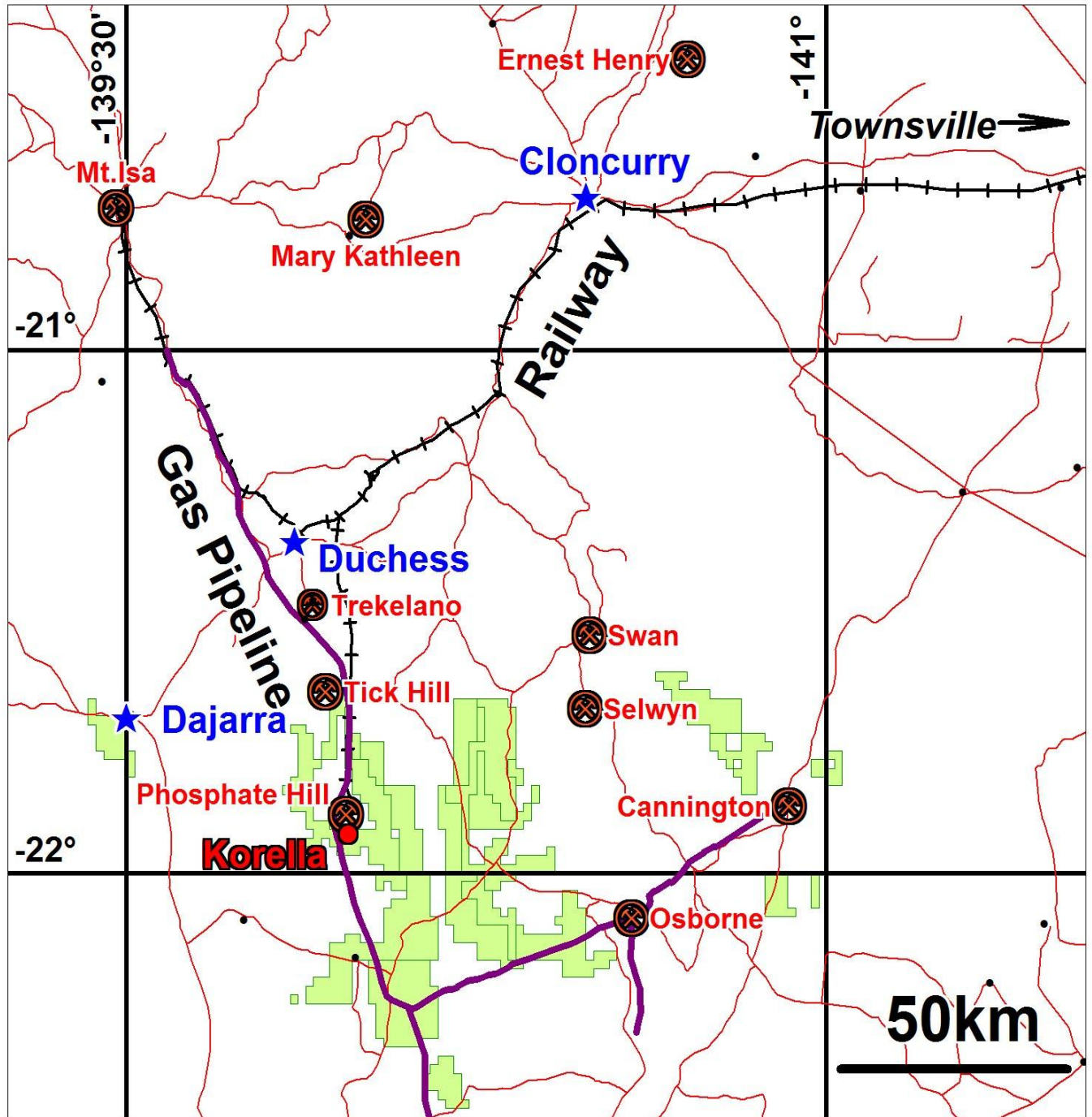
Korella Phosphate Pty Ltd is a wholly owned subsidiary of Krucible Metals Ltd.

The Directors form an experienced and successful team and own approximately 15% of the company.



LOCATION OF THE KORELLA PHOSPHATE DEPOSIT



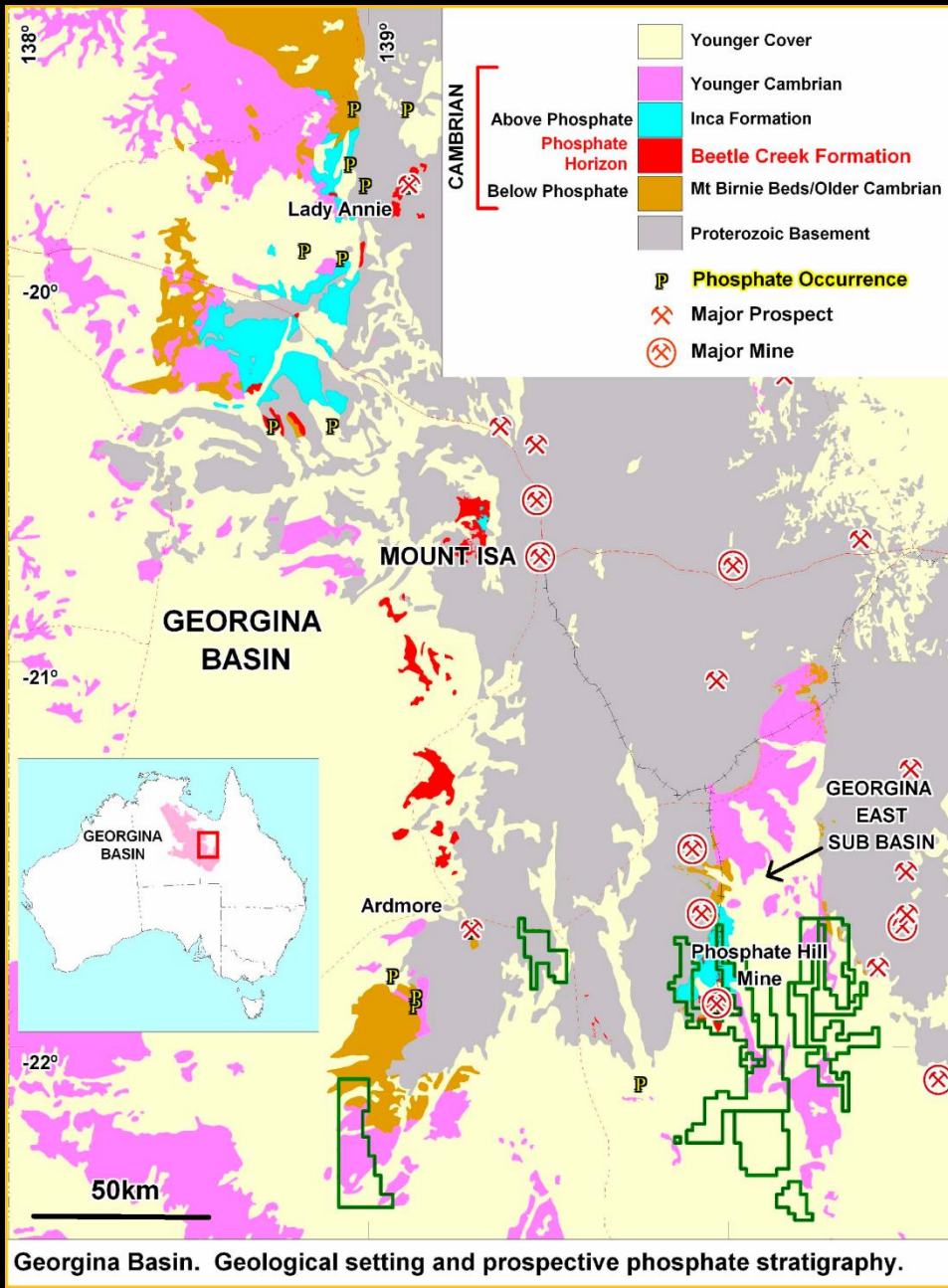


KORELLA PHOSPHATE DEPOSIT



RESOURCE UPDATE: 4th September 2009 (POLYGONAL METHOD)

LOWER CUT-OFF	TONNAGE & GRADE	R₂O₃ %	SiO₂ %	CaO / P₂O₅
(% P₂O₅)		(Al₂O₃ + Fe₂O₃)		
10%	19.3 million tonnes @ 19.0% P ₂ O ₅	4.6	45.4	1.32
20%	8.3 million tonnes @ 27.3% P ₂ O ₅	3.56	26.2	1.39
25%	5.0 million tonnes @ 30.8% P ₂ O ₅	3.0	16.7	1.37




Phosphate Occurrences in the Georgina Basin – map shows a number of occurrences but Krucible’s phosphate is next to infrastructure




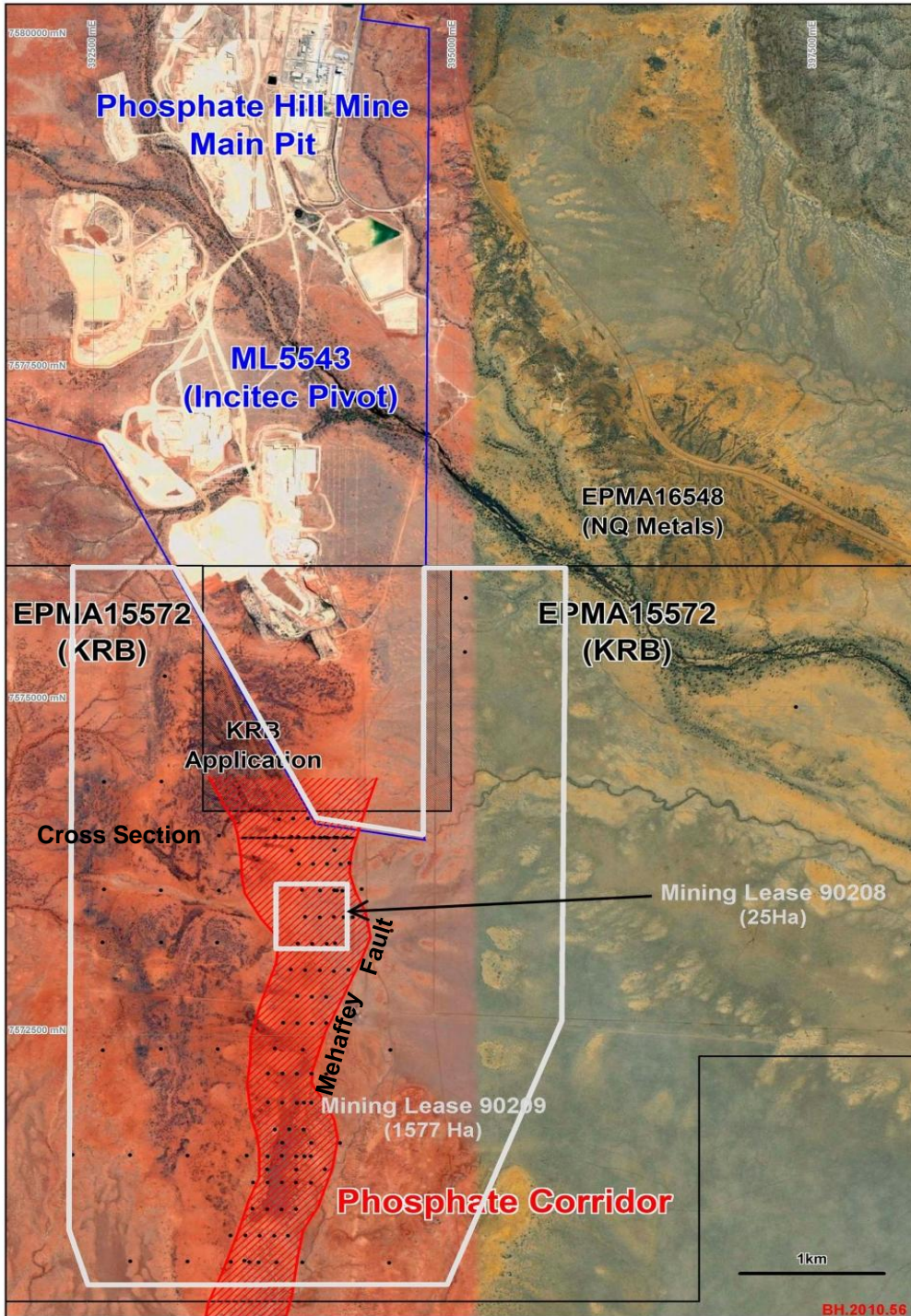
Georgina Basin. Geological setting and prospective phosphate stratigraphy.

Mining Lease Application Areas for Korella Phosphate Operation

*(N.B. Smaller MLA was for bulk
sampling purposes but now
combined with ML90209)*

 Operational Mining lease
90209 is expected to be
granted in mid 2011

 Environmental
Management Plan only
required – no EIS



KORELLA PHOSPHATE- DEVELOPMENT STRATEGY



Start up a smaller project to match the infrastructure availability particularly rail to Townsville



Obtain government approvals and Mining Lease before launching bulk sampling and feasibility studies



On-going market development during this period.



Develop lower grade area of the deposit from cash flow.



Develop further phosphate areas close to rail infrastructure as the market develops



PHOTOGRAPH OF THE SITE LANDSCAPE DURING DRILLING

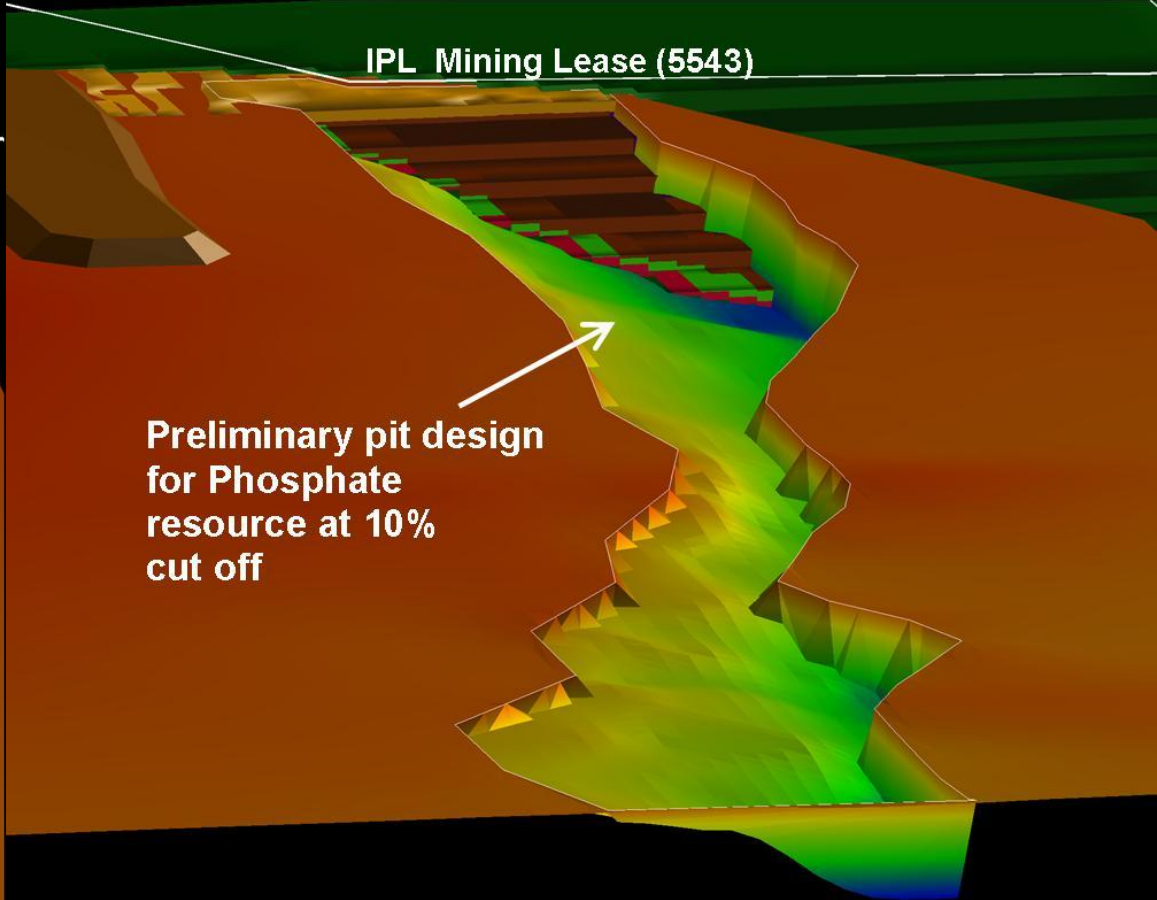
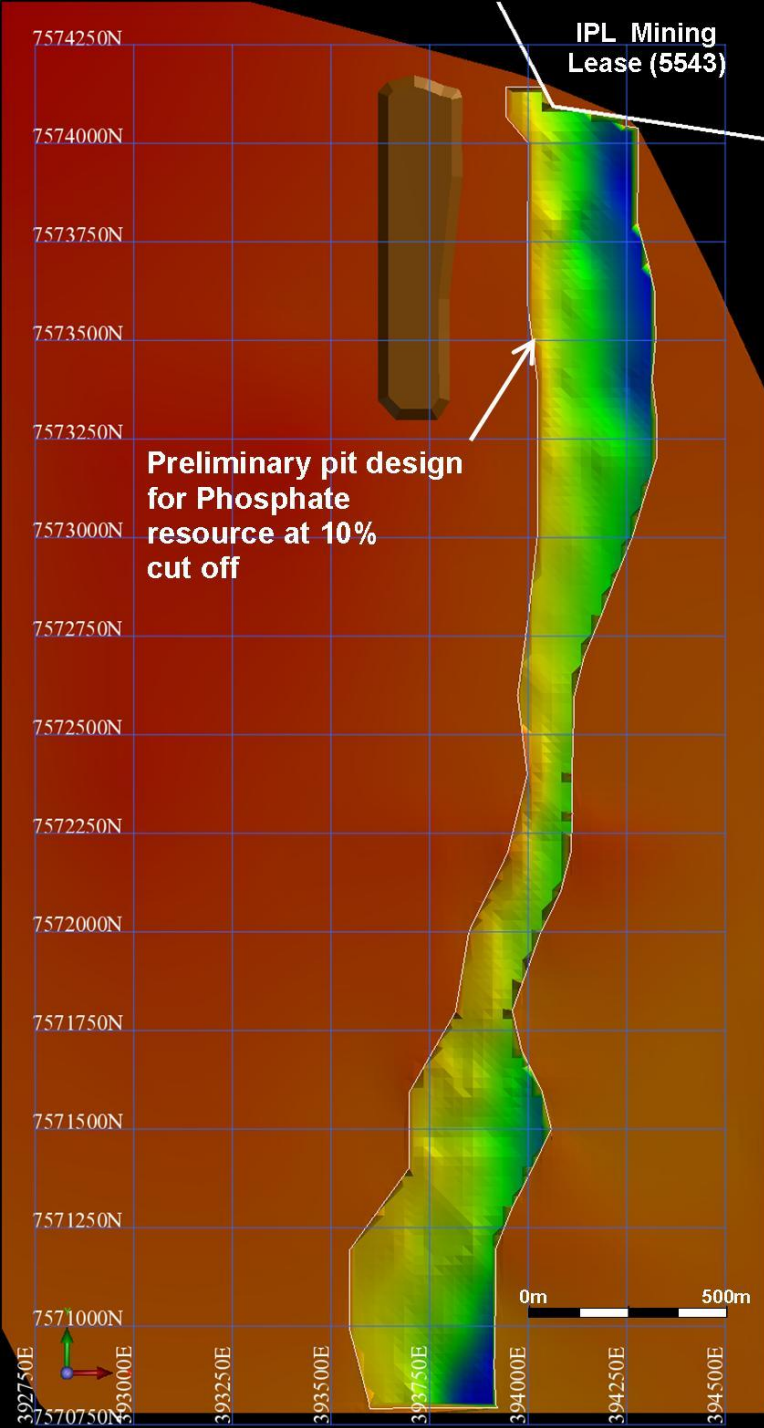


Diamond drilling at Korella



“High grade drill core from 09CBPD04; the intervals from 69.7 - 73.8 metres averages 4.1m@ 36.0% P₂O₅”





Preliminary Pit Designs
(Mining Associates)



SCOPING STUDY & FINANCIAL MODELLING ON KORELLA PHOSPHATE DEPOSIT

Scoping Study assumes achieving a production of 600,000 tpa for 6 years at an average grade of approximately 32% (3 MILLION TONNES). The aim is to convert Inferred resource to minable resource. This will be addressed in PFS.



The Inferred Resource at 25% cut-off is 5MT @ 30.8% P2O5



At 20% cut-off the Resource is 8.3MT @ 27.3% P2O5

(No value has been assigned to the possible remaining material of 5.3MT @ 24.6% P2O5)



Study assumes a relatively simple flat lying / low dipping ore body with a waste ore ratio of 9:1



Assumes rail transport to port at Townsville for product
Revenues for study are based on values at \$Au200/tonne,
(current price??)

INDICATIVE FINANCIAL FIGURES FOR 6 YEAR MINE LIFE
(Assuming \$Au200/tonne for phosphate rock & applying 15% discount)

NPV = \$Au 83 million
(Break even cost approx. \$Au 130/tonne)

NB: The above Financial Figures are based on verbal estimate from outside sources and are INDICATIVE ONLY. Further work and cost estimates will be carried out in PFS to outline more definitive figures for a financial model



CHARACTERISTICS & ADVANTAGES OF KRUCIBLE PHOSPHATE RESOURCES



PHM South is close to EXISTING INFRASTRUCTURE such as:

- mines
- railway lines
- sealed roads
- electricity grid
- gas pipeline
- airstrips



The Inferred Resource at Korella (5km south of Phosphate Hill Mine) contains high grade ($\approx 32\%$ P_2O_5)



The above Resource is of high purity (pelletal phosphate) with very low heavy metal content (Cadmium etc) and MAY BE a premium product to the market



Rail transport 1000km to the Port of Townsville where Panamax size vessels can be loaded at 2,000 tph



Krucible will have the advantage of being able to stockpile LOW GRADE ($\approx 23\%$) MEDIUM GRADE ($\approx 27\%$) and HIGH GRADE ($\approx 32\%$) Phosphate rock for sale to various markets in Australia and overseas



Rail Loadout Facility at Phosphate Hill



Fertiliser Train Coming in to Townsville



Townsville Port – Panamax Ship Size Capability



WHAT NEXT FOR KORELLA PHOSPHATE PROJECT ?



Submission of an Environmental Management Plan to Department of Environment to obtain Environmental Approval (No EIS required.)



Negotiation of a Native Title Agreement with the Yulluna People



Mining Lease 90209 applied for in May 2010 and is progressing



Prices obtained for Bulk sampling which is scheduled for 2nd half of 2011.



Progress Marketing and Secure Potential Customers



Commence Pre-feasibility Study to determine likely costs, revenues and scope of operations 2011



Examine funding options for development



Krucible Metals Ltd

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