



**KRUCIBLE METALS LTD**

*Mineral Discovery Company*

ABN 12 118 788 846

**ASX CODE: KRB**

**ASX ANNOUNCEMENT  
PRESENTATION – MINING THE ISA CONFERENCE  
11<sup>TH</sup> OCTOBER 2012**

Please see the attached Krucible presentation given by Allan Branch at the Mining the Isa Conference held in Mount Isa on Thursday 11<sup>th</sup> October 2011.

Attached: Mining the Isa Presentation

**Allan Branch  
Managing Director & CEO  
Krucible Metals Ltd.**

**Further Information: Mr Allan Branch  
Phone (07) 4772 5880**

**WEB SITE: [www.kruciblemetals.com.au](http://www.kruciblemetals.com.au)**



**REGIONAL**  
MINING SERIES

## ***Mining the Isa***

10–11 October 2012, Mount Isa Civic Centre, Mount Isa

*Mines. Development. Expansion. Exploration.*

# From Explorer to Miner

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Managing Director and CEO  
Krucible Metals Limited  
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## KRUCIBLE METALS FACILITIES



Krucible is a pretty ordinary junior explorer.

We work from inexpensive facilities in Townsville,  
have a small number of staff and low overheads ...





# KRUCIBLE METALS FIELD OPERATIONS

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And spend nearly all of shareholder funds on exploration.

But we are different ...



## KRUCIBLE METALS IS A COMPANY OF SUCCESSES

1. Successful \$6m IPO in 2007 to list on ASX
2. Successful discoveries of phosphate 2008
3. Successful discoveries of rare earths and others 2009
4. First mine lease application in 2010
5. Successful attraction of Director of Mines to board 2011
6. Successful mining lease application in 2012
7. Successful attraction of international CEO to management
8. Successful phosphate JV agreement in 2012
9. Current rare earth negotiations
10. Transitioning to mining





# KRUCIBLE METALS A COMPANY IN TRANSITION



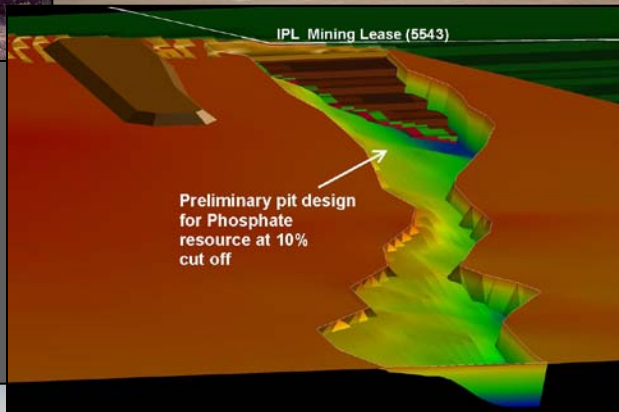
Exploration is just the beginning





# THE CHALLENGES ARE VERY DIFFERENT

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## KRUCIBLE METALS - CASE STUDY

### From Explorer to Miner:

- So you discovered a resource, what next?
- Becoming a mining company versus an asset sale.
- Difference between an explorer and a miner.
- Resource requirements, risks, challenges.

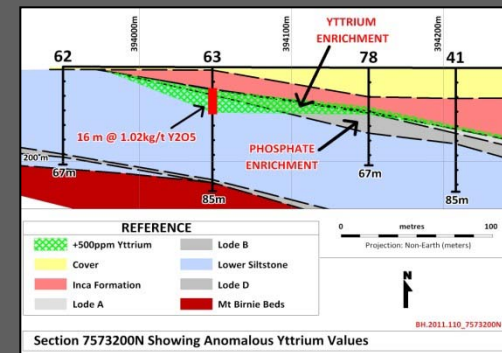
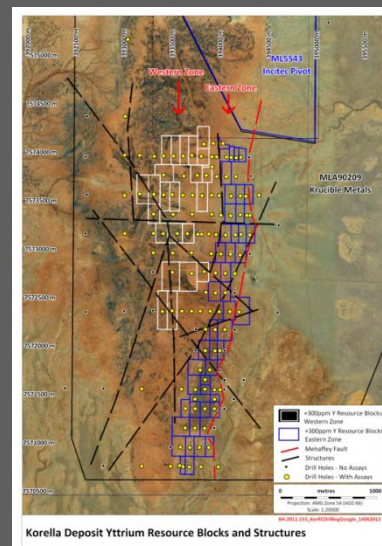
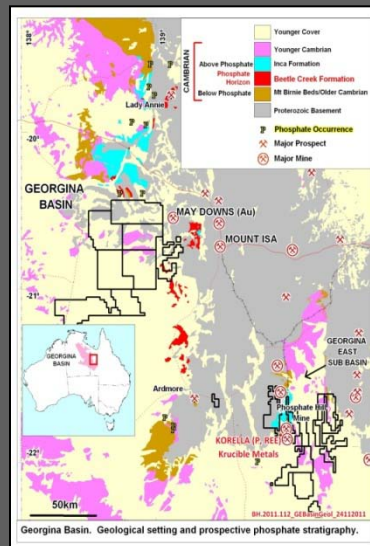
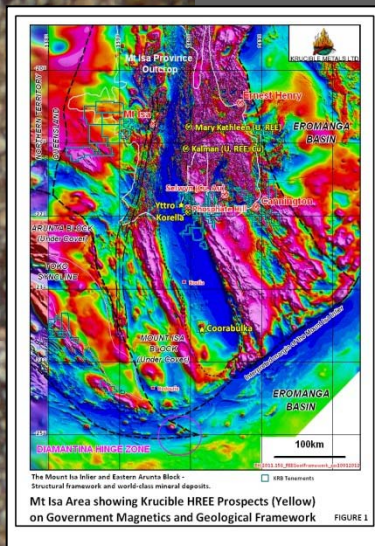




# SO YOU DISCOVERED A RESOURCE, WHAT NEXT?

Do more of the same?

Exploration and discovery ...



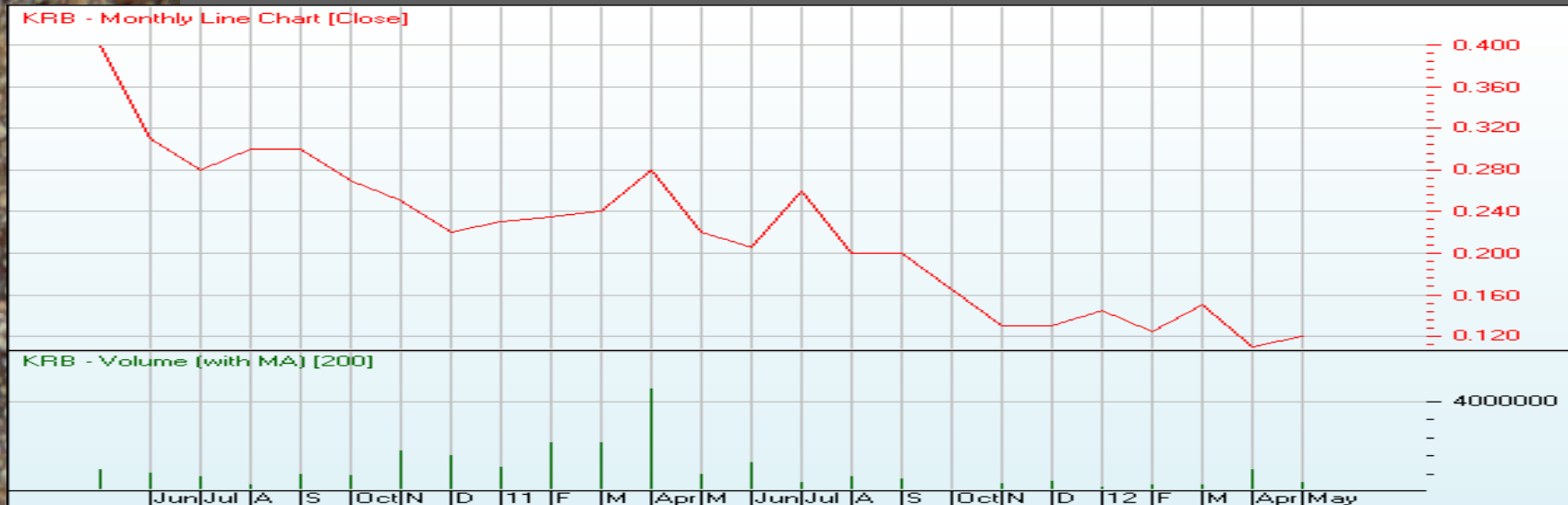
Use track record of success to raise more funds and continue exploring



# SO YOU DISCOVERED A RESOURCE, WHAT NEXT?

## Economic disaster

This had no result ...



No new investment funds  
Share price decline  
Decreasing reserves  
Race to make more new discoveries, increased spend rate





# SO YOU DISCOVERED A RESOURCE, WHAT NEXT?

## Requires change management

Change management, new way of thinking



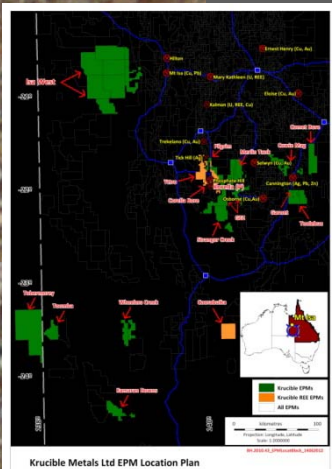
New Board  
New Management  
New Business Model



# BECOMING A MINING COMPANY VERSUS AN ASSET SALE

## Becoming a mining company versus an asset sale.

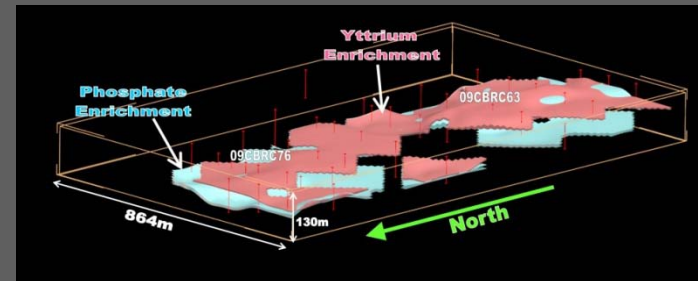
Sit on it?  
Sell it (asset sale)?  
Develop it?



### 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)**



- Phosphate Development Plan
- Total estimated cost \$7.3 million over the next 18 months
- Total capital expenditure estimated \$34 million

Need far greater investment funds to develop a mine than explore

Shareholder pressure, bad economy, no investors,

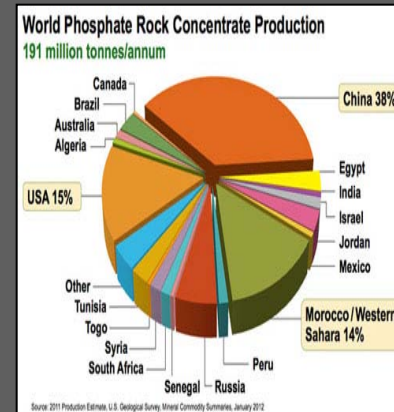
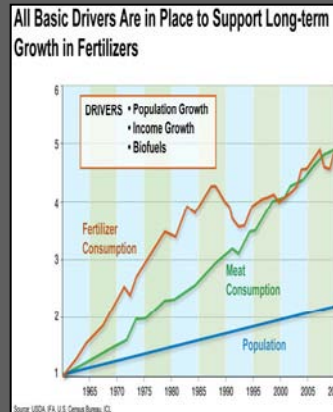
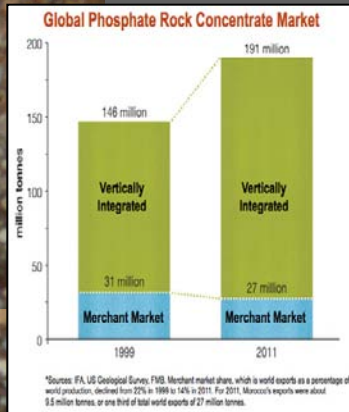




# BECOMING A MINING COMPANY VERSUS AN ASSET SALE

## Becoming a mining company versus an asset sale.

Funding, strategic partners (JV, M&A)



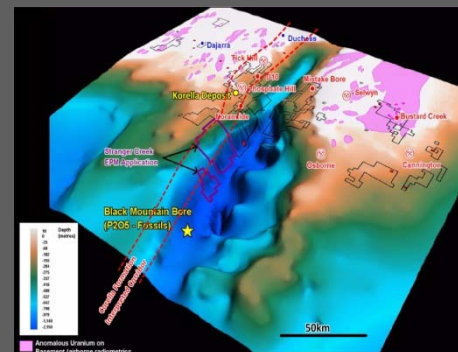
Now suddenly it is global markets,  
Supply and demand curves  
Return on investment calculations  
International commodity traders  
Strategic investors



# DIFFERENCE BETWEEN AN EXPLORER AND A MINER

## An Explorer Profile:

Small company



Low budget  
Geologists  
Field activities  
Technical  
Knowledge, training, experience and intuition  
Luck





# DIFFERENCE BETWEEN AN EXPLORER AND A MINER

## A Miner Profile:

Large company



Big budget  
Corporate executives  
Financial activities  
Connections and networks  
No luck involved



# RESOURCE REQUIREMENTS RISKS AND CHALLENGES

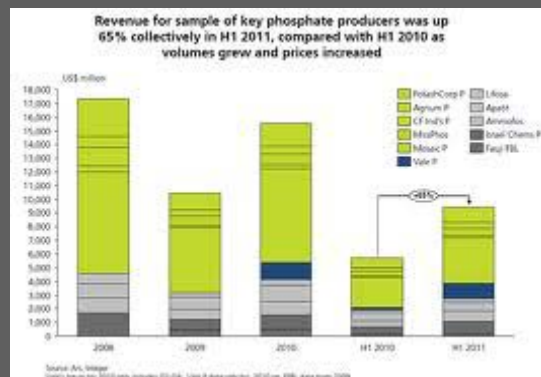
## Resource Requirements:

Talented Board  
Executive Management  
Financial Prowess  
Legal Contracts  
Market Research  
Negotiation Skills

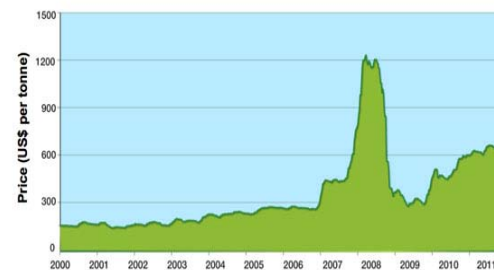


## Risks and Challenges:

People  
Time  
Local Economy  
Global Markets  
Competition  
Regulations  
Policy

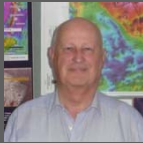


## Price of Diammonium Phosphate (DAP) Bulk FOB US Gulf





## KRUCIBLE METALS PEOPLE



Michael Leonard (Non Executive Chairman, ex Director Mines Tasmania)



Dennis Lovell (Non Executive Director, Finance Consultant)



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



Sean Kelly (Non Executive Director, Lawyer)



Allan Branch (Managing Director, CEO, ex GM CRHL - AIM)



Bridgette Humphries (6 years experience in exploring and analysing the geology of the Mt Isa region)



Long term, loyal, dedicated, clever, independent staff



# REWARDS



<b>Eastern Zone - Yttrium</b>		<b>Western Zone - Yttrium</b>	
9.6MT @ 0.72kg/t $Y_2O_3$	← +300ppm Y (0.38kg/t $Y_2O_3$ ) →	4.12MT @ 0.63kg/t $Y_2O_3$	
4.8MT @ 1.01kg/t $Y_2O_3$	← +500ppm Y (0.64kg/t $Y_2O_3$ ) →	2.25MT @ 0.77g/t $Y_2O_3$	
<b>TOTAL Yttrium (Y)</b>			
Low Grade	+300ppm Y	→	13.72MT @ 0.70kg/t $Y_2O_3$
High Grade	+500ppm Y	→	7.03MT @ 0.93kg/t $Y_2O_3$
<b>Phosphate</b>			
High Grade	+25%	→	5.0MT @ 30.8% $P_2O_5$
Low Grade	+20%	→	8.3MT @ 27.3% $P_2O_5$
<b>Total Tonnes Yttrium + Phosphate</b>			
Low Grade	(+20% $P_2O_5$ / +300ppm Y)		<b>22.02MT</b>
High Grade	(+25% $P_2O_5$ / +500ppm Y)		<b>12.03MT</b>





# Krucible Metals Limited

## Thank You



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