



ASX Announcement 3rd June 2014



KRUCIBLE METALS LTD
Mineral Discovery Company
ABN:12 118 788 846 ASX Code: **KRB**

About Krucible

Sean Kelly

Non-executive Chairman

Ailian Branch

Managing Director & CEO

Ray Koenig

Non-executive Director

Andrew Vigar

Non-executive Director & CP

Bridgette Humphries

Senior Geologist

Mike Meintjes

Company Secretary & CFO

Office : 1/68 Railway Avenue,

Railway Estate,

Townsville, Queensland 4810

Australia

Post: PO BOX 499

Castletown,

Townsville, Queensland 4812

Australia

Phone: +61 7 4772 5880

Fax: +61 7 4772 4999

Email:

admin@kruciblemetals.com.au

www.kruciblemetals.com.au

Listed on Australia's main stock exchange since 2007, Krucible is an Australian-based resources company with an enviable history of discovery in phosphorus and heavy rare earths as well as other elements. Krucible continues to explore for precious metals, base metals and others, and is transitioning to a combined exploration and mining company. Krucible has plans and expectations to ultimately enter joint ventures to develop mines on tenements in the mineral rich Mount Isa area of north western Queensland. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.

Exploration Report

HIGHLIGHTS

-  In April 2014 Krucible completed a surface geochemical sampling program on the Toomba EPM.
-  Also in April 2014, a concurrent biogeochemical sampling technique was tested on Toomba by HDR|Salva and Krucible on behalf of the Geological Survey of Queensland (GSQ).
-  Interpretations of lag surface sampling at Toomba has increased the geological knowledge and identified trends of anomalous zones within 3 previously unexplored prospects. This information will assist in defining sites for follow up drill testing.
-  Krucible has submitted another Collaborative Drilling proposal to the Geological Survey of Queensland (GSQ) for the Toomba EPM15367 and Kamaran Downs EPM15389. The successful applicants will be notified later this month.



Soil sampling at Coorabulka May 2014



Lag Sampling at Toomba April 2014

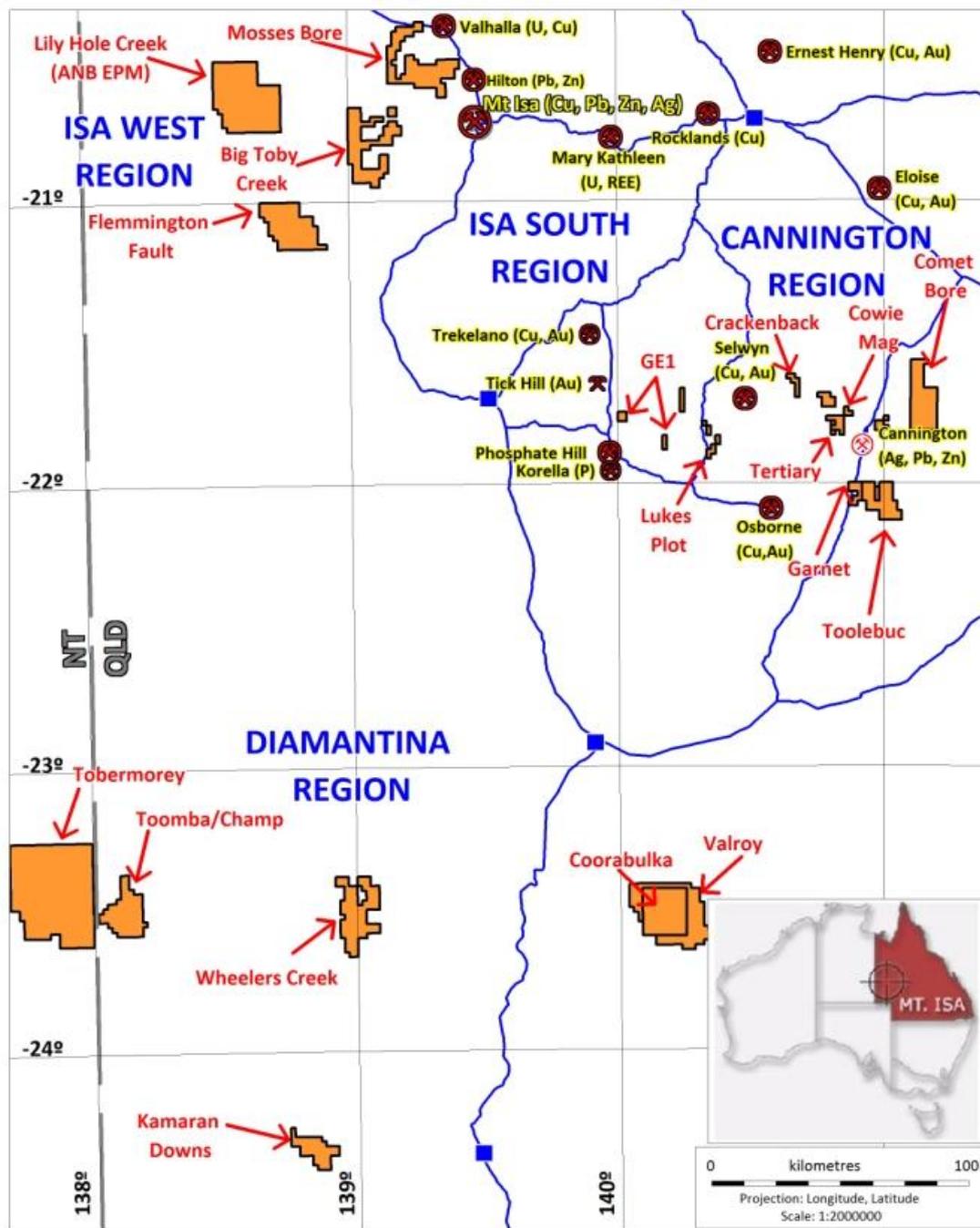
-  In May 2014 surface geochemical Exploration was completed on Coorabulka EPM19286 and Valroy EPM25126. The purpose was to begin identifying the extent of the rare earth anomalism identified from previous grab samples.
-  Krucible is developing leading-edge biogeochemical exploration techniques to supplement classic exploration methods. It is expected that these will prove invaluable for determining the prospectivity of remote or difficult terrains.
-  Further biogeochemical sampling is expected to continue at the Toomba EPM once previous programme results have been received towards the end of June.
-  Exploration is expected to begin on the Isa West tenements in June.



Exploration Report April – May 2014

The Directors of Krucible Metals Ltd (“Krucible”, ASX:KRB) are pleased to announce further exploration results on the Toomba EPM and the completion of first field programs on the Coorabulka and Valroy EPMs. These April and May programs have increased the knowledge in a number of regions where there has been little previous exploration by Krucible or earlier explorers. This is in keeping with Krucible’s exploration methodology of systematically exploring promising under-explored areas of the Southern Mt Isa and Diamantina Regions where Krucible believes mineral enrichment may occur.

Krucible currently holds 11 granted EPMs and 4 EPM applications (Figure 1).



LOCATION PLAN SHOWING KRUCIBLE TENEMENTS

FIGURE 1



1. Diamantina

Toomba EPM15367

Situated in the Simpson Desert near the Northern Territory border in western Queensland (Figure 1) this EPM was the subject of intense exploration by Krucible in 2009 which resulted in strongly anomalous drilling results of up to 27m @ 0.4% copper from 9m in hole XXX (including 3m @ 2.4% copper) from the Champ prospect (Figure 2), (see KRB Annual Report 2010). Krucible considers the Diamantina province belt to be highly prospective for large-scale mineralised systems associated with major crustal structures and continental terrane boundaries. This is a similar approach to that taken recently with considerable success by Independence Group (Tropicana ASX announcement 24 February 2014) and Gold Road (Gruyere ASX Announcement 13 March 2013).

With the end of the wet season and receipt of new funds to restart its exploration program, Krucible completed two of its planned campaigns at Toomba in April 2014.

Lag Sampling

In April Krucible completed a surface lag sampling program on three prospects which have not previously been tested and which have potential for mineralisation similar to the Champ prospect.

The Krusty prospect is dominated by a large gravity high trending northwest to north and a strong magnetic domal feature. Outcropping units in this area have been mapped as sediments of Neoproterozoic age and a number of structures including the Stella shear. Numerous quartz veins were observed in the field indicating fluid flow and rock fracturing, with abundant iron leaching.

The anomalous results in Table 1 indicate there is an overlapping copper, zinc anomaly associated with minor lead in the western area of the grid (Figures 3 and 4). This zone corresponds to where the lag material was more consistent suggesting the depth to basement is shallow in this area and is supported by the magnetic interpretations which indicate the basement is approximately 100m below the surface.

The Hook 2 prospect is defined by low magnetics with two high magnetic anomalies, Interpretations indicate these are up-thrust sections of basement along a fault corridor and may be less than 50m below surface. Lag material was sparse in some areas, however results from the samples collected indicate an anomalous copper, lead corridor (Figures 3 and 4) following the trend of the interpreted structure.

The VOS West prospect is an area defined by a strong magnetic anomaly trending through the Dukes/Stella prospect. The recent lag sampling has extended the previous regional grid and has produced two strong copper zones with associated lead values trending along a positive magnetic ridge (Figures 3 and 4). Results from the biogeochemistry sampling in this area will also provide insights into the sub-surface anomalism.

The lag sampling results, coupled with the transported nature of the area is considered valuable for assisting in choosing drilling targets.

Sample ID	Easting (AGD66)	Northing (AGD66)	Prospect	As (ppm)	Cu (ppm)	Pb (ppm)	V (ppm)	Zn (ppm)
				ME-MS41	ME-MS41	ME-MS41	ME-MS41	ME-MS41
90460	207815	7395992	VOS West	40	74	32	547	44
90461	207773	7395805	VOS West	39	53	39	662	49
90487	207701	7400340	Hook 2	68	28	47	779	19
90491	208065	7399533	Hook 2	59	26	48	1030	22
90507	197175	7394804	Krusty	21	71	21	146	45

Table 1 – Lag sampling exploration results from the Toomba EPM15367



Biogeochemical Survey

Concurrently with our field work at Krusty and Hook 2, a biogeochemical sampling program by the Queensland Geological Survey (GSQ) was completed by HDR|Salva. This is a research project under the Industry Priorities initiative testing spinifex plant samples for metals. More specifically called phytogeochemistry, it is hoped this method of sampling can be used to indicate mineralisation sub-surface through metal uptake in the spinifex root system. Results from this sampling are being generated in Canada, and the first results will arrive shortly, with the full assay results towards the end of July. The data and information will contribute valuable information to the upcoming drilling program.

Collaborative Drilling Initiative Grant

Krucible has applied for a Queensland Government grant for up to \$150,000 to assist with drilling costs in 2014 at Toomba. This is currently being evaluated by the QGSQ and Krucible will learn in June if Toomba was a successful proposal. Previously, Krucible has been a successful applicant and the drilling in 2009 on this prospect was completed under this grant. Drilling in this environment is logistically challenging with a number of 12m high sand dunes and lack of tracks but Krucible is keen to test the deeper extents of the shallow mineralisation previously intersected and also increase the area of drilling to test the western extents of the EPM.

Tobermorey EL 28170

A geophysical survey has been planned on this tenement for some time and is now scheduled for mid June (ASX Announcement 9 April 2014). The airborne magnetic survey is expected to further define the broad magnetic high covering the anomalous surface geochemical samples (ASX Announcement 31st July 2013) (Figure 2). Interpretations of this anomaly suggest it may be part of the Stella and Dukes Shear zones identified from geophysical interpretations on the Toomba tenement 60km to the east in Queensland. These interpretations completed by Terra Search Pty Ltd indicate the Duke and Stella structures appear to be sub-parallel magnetic features representing up faulted basement structures.

Drilling targets will be identified from this much anticipated aerial survey.

2. Boulia South

Coorabulka EPM19286

This exciting and interesting EPM displays an unusual rare earth enrichment style (see ASX Announcement 13th November 2012) as well as a large positive magnetic anomaly. With Coorabulka finally granted at the end of 2013 Krucible has been assessing the best exploration tools to use to explore this promising site. As a first step a soil program was completed in May to determine the distribution of the anomalism. Results are expected in approximately 4 weeks.

Krucible also completed a pit density program with the objective of determining the depth characteristics of the anomalism. Initial observations from this work suggest the current known mineralisation is underlain by a grey clay unit which varies in depth below surface. Further interpretations need to be completed on this work in order to accurately determine the results.

The secondary target at Coorabulka is a large isolated magnetic high located at depth below the rare earth enrichment (Figure 5). Krucible is considering completing a magnetic survey over the area to better target the anomaly in a possible drilling program.

Valroy EPM25126

Valroy was granted to Krucible on the 29th of January 2014 and is considered prospective for rare earth enrichment. The EPM surrounds the Coorabulka EPM which lies approximately 100km south of Boulia in western Queensland. Since granting, Krucible has completed a lag sampling program over an area of rare earth anomalism identified from previous exploration results. The outcropping units



consisted of a strongly oxidised siltstone overlaying a soft white fine grained siltstone. Exploration results from this program will give a more comprehensive understanding and are expected in approximately 4 weeks.

3. Isa West

Flemington Fault EPM19099 and Big Toby EPM19095

Originally Krucible planned to visit these newly approved tenements early in the year however weather conditions prevented access. The first trip is now expected to commence in June and will involve early stage reconnaissance exploration on an area which is only 50km west of the world class Mt Isa (copper, lead, zinc) mine (Figure 6).

4. Other Areas

Krucible has previously announced its 2014 exploration program which was superseded with a greater drilling budget this year (ASX announcement 28 January 2014). The Company is also planning exploration on its other tenements for the remainder of the year and these will be announced as work progresses.

**Attached: Figures 2-6
 Annexure A**

Further Information:

**Allan Branch
Managing Director & CEO
3 June 2014**



About Krucible Metals Limited:

Listed on Australia's main stock exchange since 2007, Krucible is an Australian-based resources company with an enviable history of discovery in phosphorus and rare earths as well as other elements. Krucible continues to explore for precious metals, base metals and strategic metals, and is transitioning to a combined exploration and mining company. Krucible has plans and expectations to ultimately enter joint ventures to develop mines on its tenements in the mineral rich Mount Isa area of northwestern Queensland and elsewhere. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.

COMPETENT PERSON STATEMENT

"The information in this report that relates to Mineral resources and Exploration Results is based on information compiled by Mr Andrew J Vigar who is a Fellow of The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Limited, Hong Kong. Mr Vigar 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Vigar consents to the inclusion in this report of the matters based on his information in the form and context in which it appears".

This report may contain forward-looking statements. Any 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.

For personal use only



Annexure A

Table 1 – Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	<ul style="list-style-type: none"> Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling. 	Lag Sampling - Surface geochemical sampling technique involving the collection of surface rock material from a specific point and sieving to fraction size +2mm -6mm.
	<ul style="list-style-type: none"> Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. 	The sample was collected at a number of sites within a 100m radius of the GPS point. Each sample was on average 2kg.
	<ul style="list-style-type: none"> Aspects of the determination of mineralisation that are Material to the Public Report. 	No mineralisation identified
	<ul style="list-style-type: none"> In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information. 	Samples provide to ALS Laboratories Townsville who pulverised the sample before analysing by acid digestion for a range of elements.
Drilling techniques	<ul style="list-style-type: none"> Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc). 	No drilling competed
Drill sample recovery	<ul style="list-style-type: none"> Method of recording and assessing core and chip sample recoveries and results assessed. 	No drilling competed
	<ul style="list-style-type: none"> Measures taken to maximise sample recovery and ensure representative nature of the samples. 	No drilling competed
	<ul style="list-style-type: none"> Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material. 	No drilling competed
Logging	<ul style="list-style-type: none"> Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. 	No drilling competed
	<ul style="list-style-type: none"> Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. 	No drilling competed
	<ul style="list-style-type: none"> The total length and percentage of the relevant intersections logged. 	No drilling competed
Sub-sampling techniques and sample preparation	<ul style="list-style-type: none"> If core, whether cut or sawn and whether quarter, half or all core taken. 	No drilling competed
	<ul style="list-style-type: none"> If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. 	No drilling competed
	<ul style="list-style-type: none"> For all sample types, the nature, quality and appropriateness of the sample preparation technique. 	No drilling competed
	<ul style="list-style-type: none"> Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. 	No drilling competed



	<ul style="list-style-type: none"> Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling. 	No drilling competed
	<ul style="list-style-type: none"> Whether sample sizes are appropriate to the grain size of the material being sampled. 	No drilling competed
Quality of assay data and laboratory tests	<ul style="list-style-type: none"> The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. 	The assaying and laboratory procedures are considered to be appropriate for reporting surface sampling, according to industry best practice
	<ul style="list-style-type: none"> For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. 	No assay results were obtained outside of the laboratory
	<ul style="list-style-type: none"> Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established. 	No QC measures taken due to the stage of exploration.
Verification of sampling and assaying	<ul style="list-style-type: none"> The verification of significant intersections by either independent or alternative company personnel. 	No drilling competed
	<ul style="list-style-type: none"> The use of twinned holes. 	No drilling competed
	<ul style="list-style-type: none"> Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. 	All data was collected initially on paper ledgers which have been transferred to a digital database with the company's coding templates.
	<ul style="list-style-type: none"> Discuss any adjustment to assay data. 	No adjustments have been made
Location of data points	<ul style="list-style-type: none"> Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. 	Sample points were located using a Garmin 76 GPS with an accuracy of 5m
	<ul style="list-style-type: none"> Specification of the grid system used. 	All surveys were MGA Zone54 (AGD66)
	<ul style="list-style-type: none"> Quality and adequacy of topographic control. 	Topographical control is sufficient for the stage of exploration
Data spacing and distribution	<ul style="list-style-type: none"> Data spacing for reporting of Exploration Results. 	Sample points were on a 200x400m spacing on the Krusty and Hook 2 prospects, and 400x400m spacing's on the Vos west prospect
	<ul style="list-style-type: none"> Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied. 	Not sufficient sampling to determine resource
	<ul style="list-style-type: none"> Whether sample compositing has been applied. 	Not Applied
Orientation of data in relation to geological structure	<ul style="list-style-type: none"> Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. 	No bias attributable to orientation of sampling
	<ul style="list-style-type: none"> If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material. 	No drilling competed
Sample security	<ul style="list-style-type: none"> The measures taken to ensure sample security. 	Standard sample security protocols were observed
Audits or reviews	<ul style="list-style-type: none"> The results of any audits or reviews of sampling techniques and data. 	It is considered by the Company that industry best practice methods have been employed at all stages of the exploration.



Table 2 – Reporting of Exploration Results

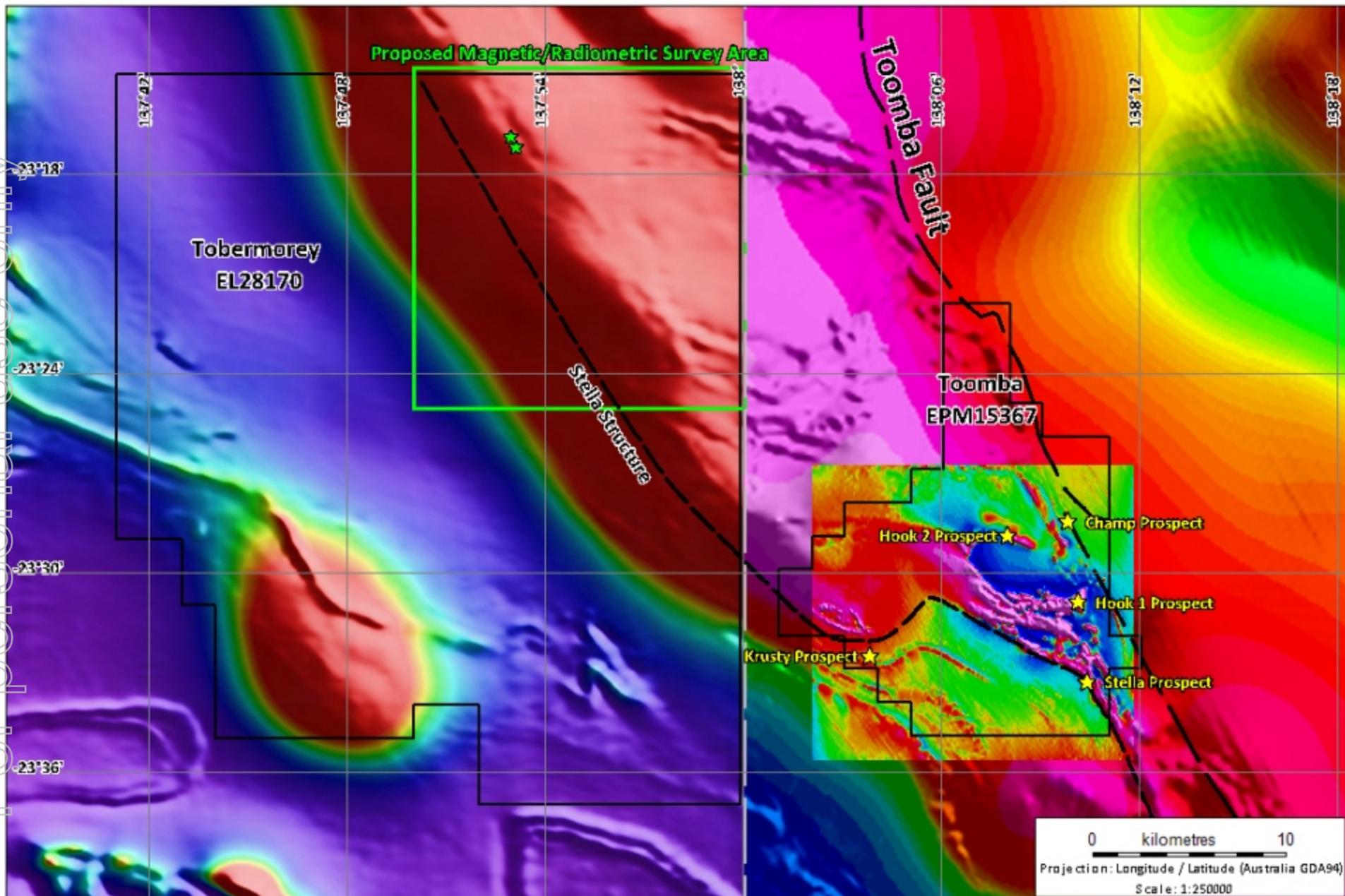
Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	<ul style="list-style-type: none"> Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. 	Krucible owns 100% of all of its tenements including Toomba EPM153667. There is no native title party covering the Toomba EPM.
	<ul style="list-style-type: none"> The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area. 	The tenement is in good standing and no known impediments exist.
Exploration done by other parties	<ul style="list-style-type: none"> Acknowledgment and appraisal of exploration by other parties. 	Exploration was completed by Krucible staff however the biogeochemical sampling has been undertaken by HDR Salva on behalf of the Geological Survey of Queensland. A MOU is in place for this exploration.
Geology	<ul style="list-style-type: none"> Deposit type, geological setting and style of mineralisation. 	The mineralisation style targeted is an iron-oxide copper gold breccia system similar to Olympic Dam or an orogenic shear related system similar to Tennant Creek
Drill hole Information	<ul style="list-style-type: none"> A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: 	No drilling competed
	<ul style="list-style-type: none"> o easting and northing of the drill hole collar 	No drilling competed
	<ul style="list-style-type: none"> o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar 	No drilling competed
	<ul style="list-style-type: none"> o dip and azimuth of the hole 	No drilling competed
	<ul style="list-style-type: none"> o down hole length and interception depth 	No drilling competed
	<ul style="list-style-type: none"> o hole length. 	No drilling competed
	<ul style="list-style-type: none"> If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case. 	No drilling competed
Data aggregation methods	<ul style="list-style-type: none"> In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated. 	No mineralisation recorded
	<ul style="list-style-type: none"> Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail. 	No mineralisation recorded
	<ul style="list-style-type: none"> The assumptions used for any reporting of metal equivalent values should be clearly stated. 	No mineralisation recorded
Relationship between mineralisation widths and intercept	<ul style="list-style-type: none"> These relationships are particularly important in the reporting of Exploration Results. 	No mineralisation recorded
	<ul style="list-style-type: none"> If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported. 	No mineralisation recorded



lengths	<ul style="list-style-type: none"> If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known'). 	No mineralisation recorded
Diagrams	<ul style="list-style-type: none"> Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views. 	Figures in text
Balanced reporting	<ul style="list-style-type: none"> Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results. 	Results in text
Other substantive exploration data	<ul style="list-style-type: none"> Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances. 	Further work is planned for exploration including but not limited to RC drilling and further sampling utilising different sampling methods.
Further work	<ul style="list-style-type: none"> The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling). 	Figures in text
	<ul style="list-style-type: none"> Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive. 	Figures in text

For personal use only

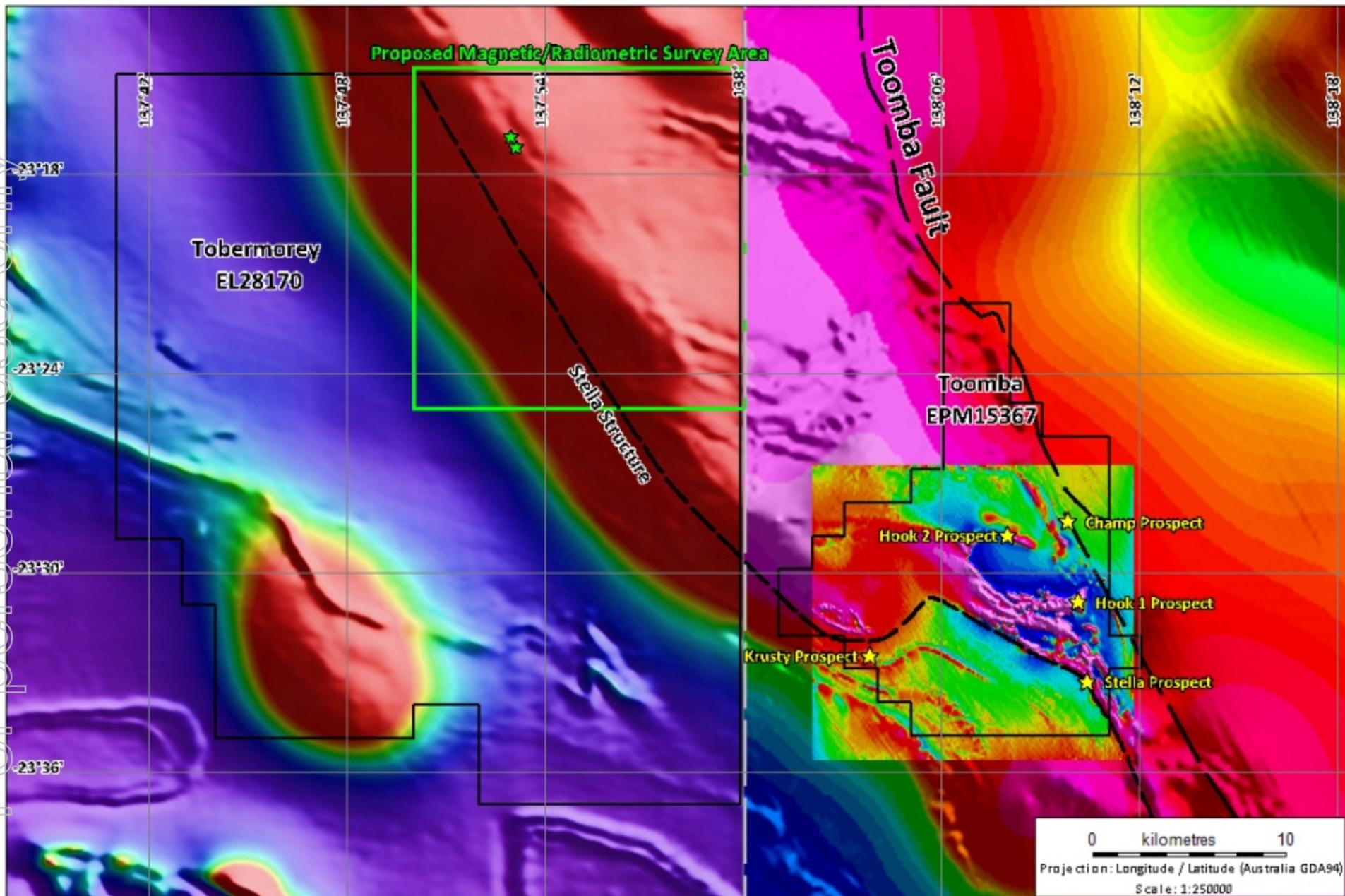
For personal use only



Diamantina TMI Government Magnetics Showing Toomba Prospects (yellow) and Anomalous Tobermorey Rock Chips (green)

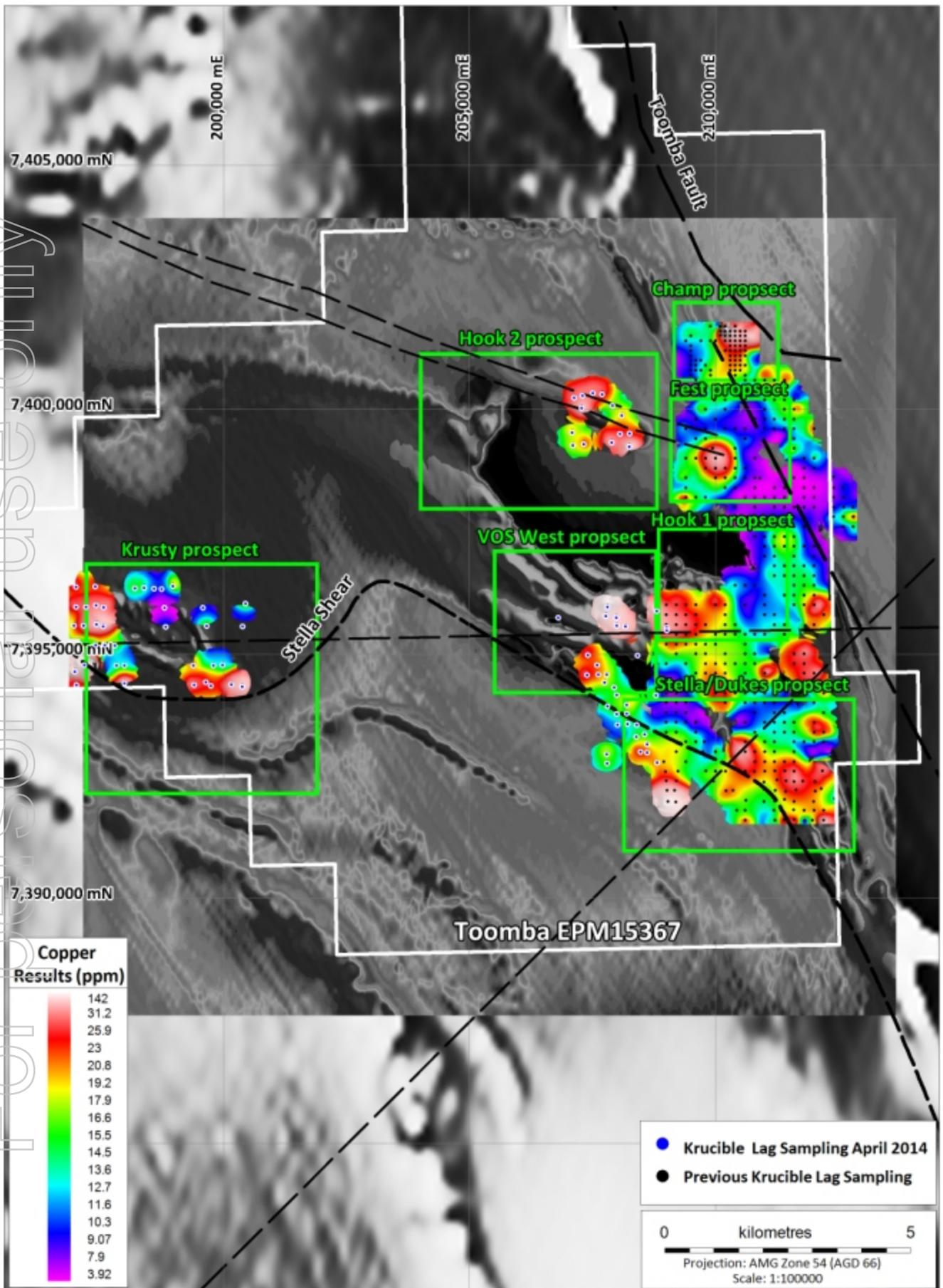
FIGURE 2

For personal use only



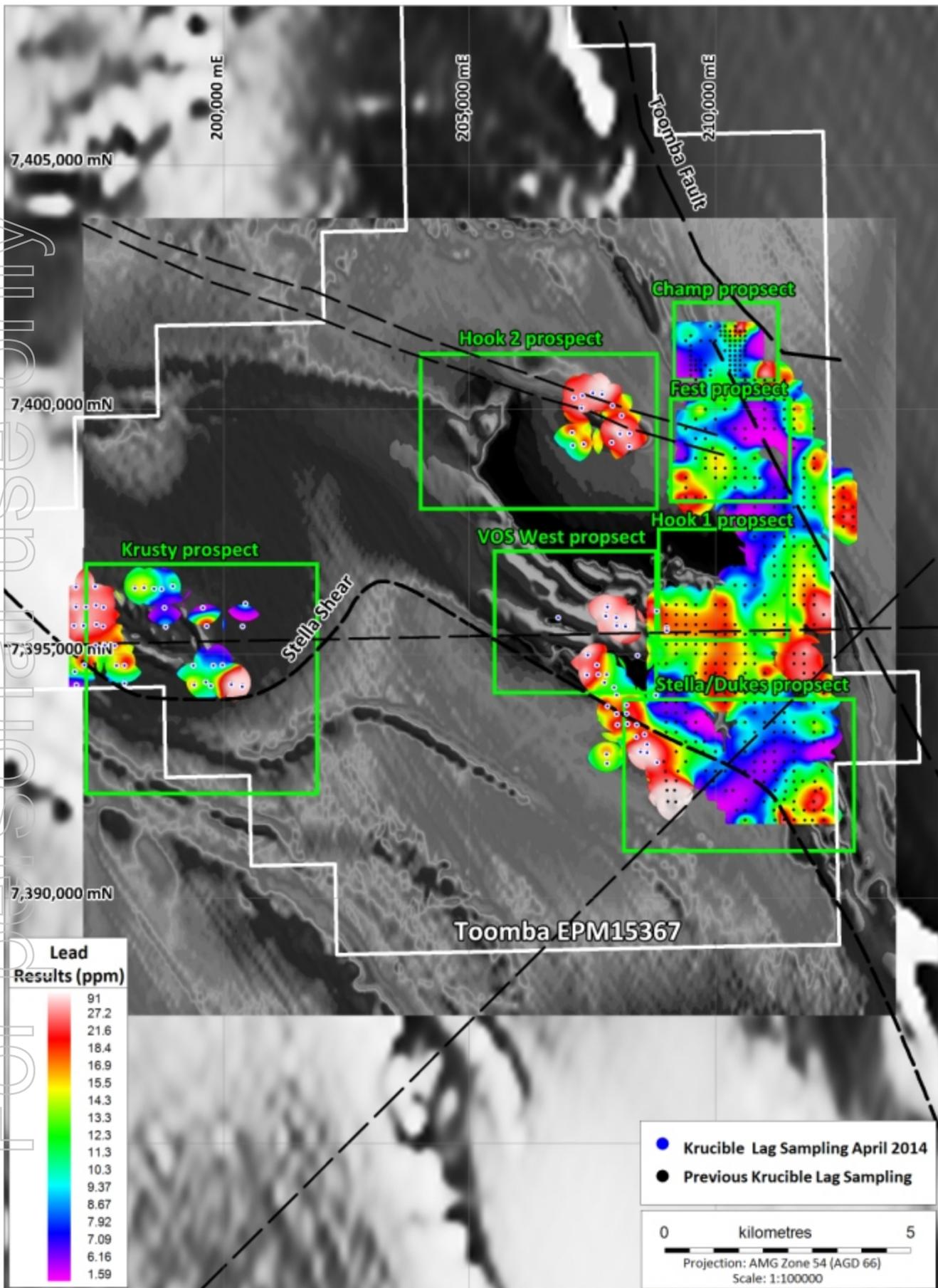
Diamantina TMI Government Magnetics Showing Toomba Prospects (yellow) and Anomalous Tobermorey Rock Chips (green)

FIGURE 2



Toomba EPM15367 - RTP1VD Magnetics with Copper Lag Sampling Results and Prospect Locations (green)
 n.b. red/white are anomalous colours and blue/purple are low result colours

FIGURE 3

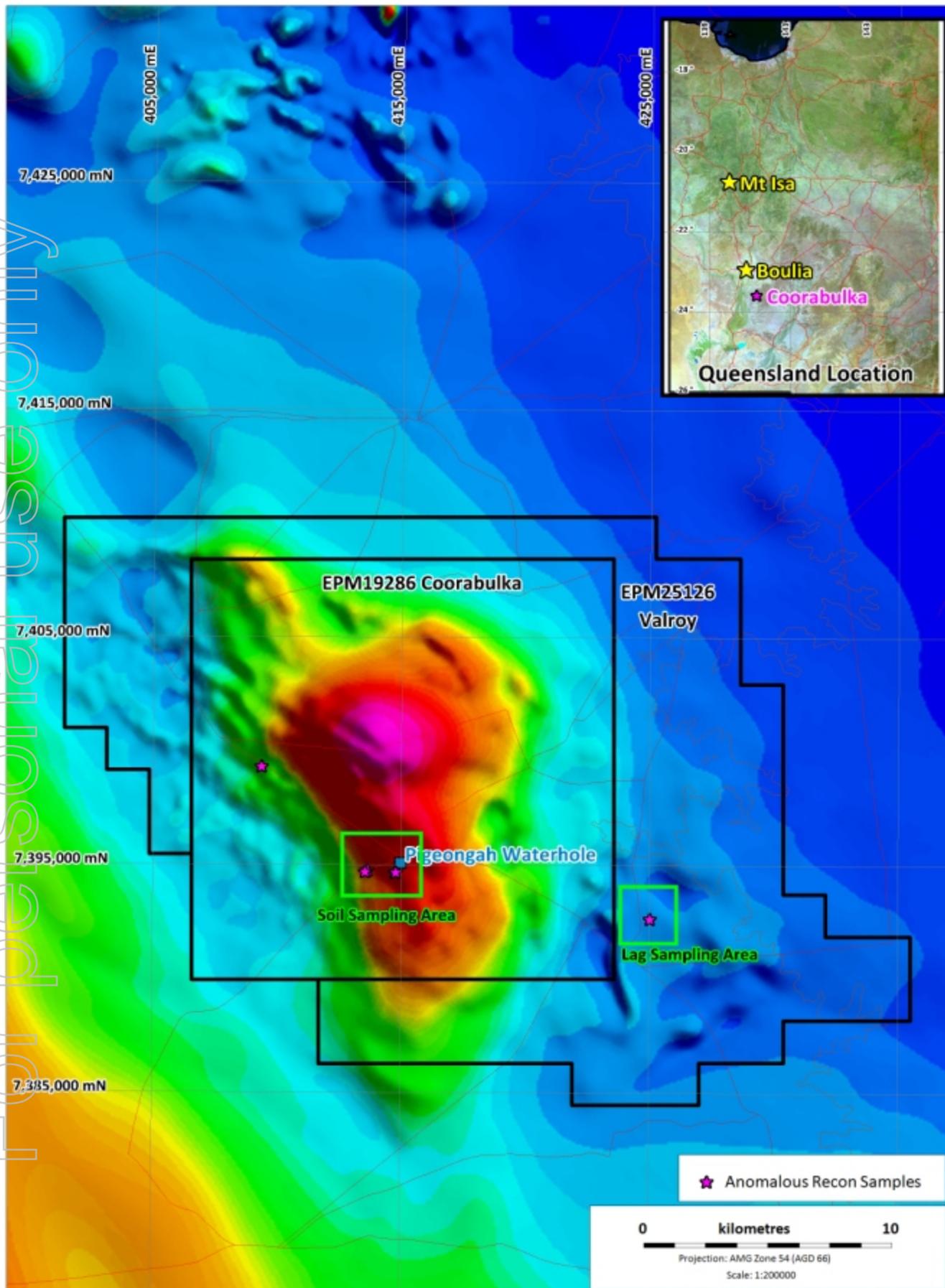


**Toomba EPM15367 - RTP1VD Magnetics
 with Lead Lag Sampling Results and Prospect Locations (green)**

n.b. red/white are anomalous colours and blue/purple are low result colours

FIGURE 4

For personal use only



Boulia South Tenements with Anomalous REE Samples (pink) on TMI Regional Magnetics

BH.2011.161_CoorArea Mag_ASX30052014.wor

FIGURE 5

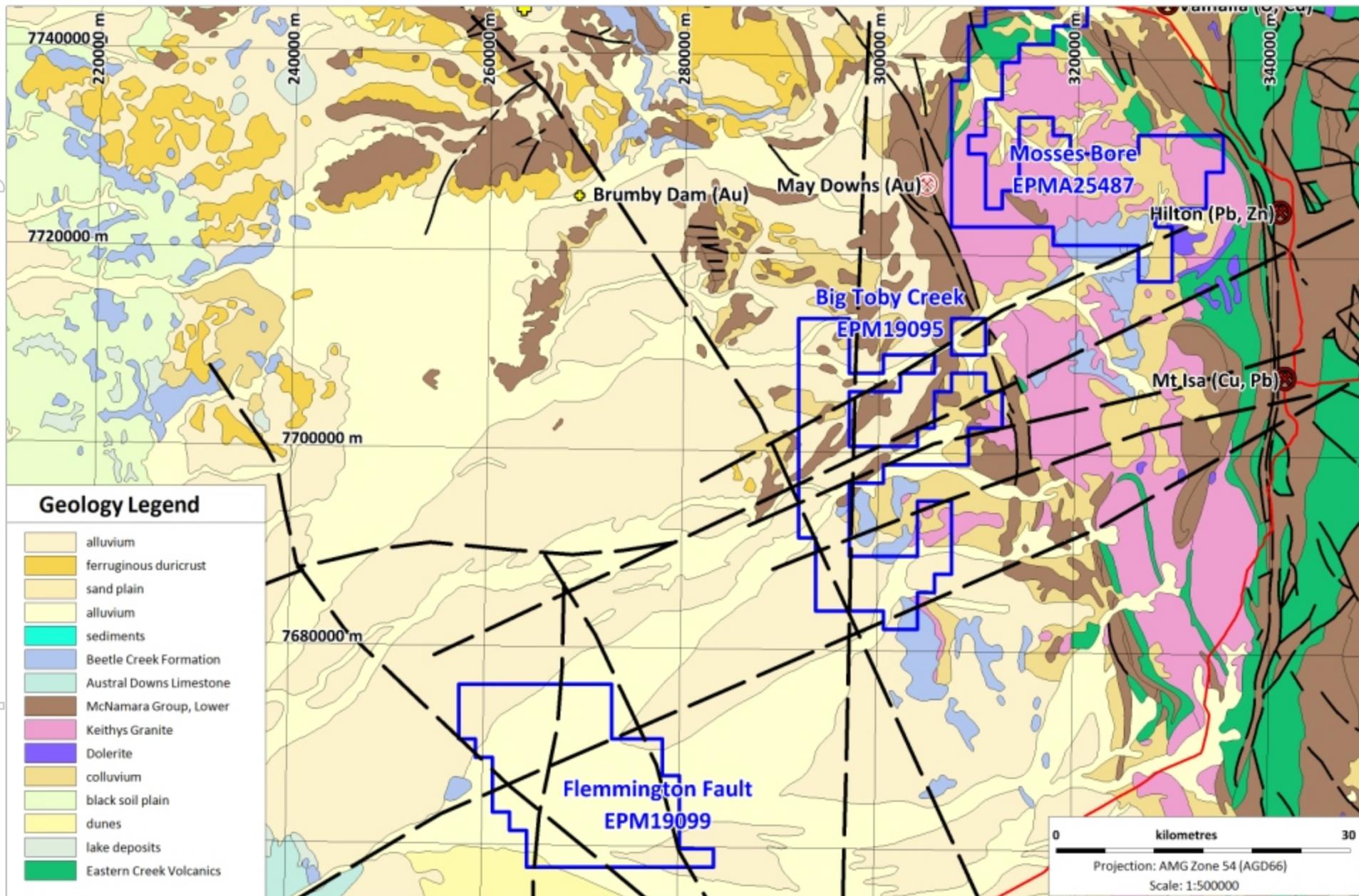


FIGURE 6