



ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

10 October 2014

RARE EARTHS COMMERCIALISATION INITIATIVES



Krucible Metals Ltd (ASX:KRB) (Krucible, Company) has signed a non disclosure agreement with a strategic party to conduct due diligence towards potential mutual develop of the Company's rare earths resources and contribute to its commercialisation plans.

The board of directors of Krucible's Metals Ltd is pleased to announce that following significant work to develop an innovative rare earths commercialisation strategy, and recent discussions in Australia, Europe, North America and China (ASX announcement 15 September 2014), the Company has now entered into the first relationship with a potential third party. Other discussions are ongoing with key companies and entities around the world.

Krucible and the third party, who at this point prefers to not be identified, have signed an Non Disclosure Agreement (NDA) at the request of the third party and have embarked on early stage due diligence including financial and technical reviews. The third party holds high quality overseas rare earths resources and is listed on more than one international stock exchange. A merger or acquisition for example could result in a mainstream player in rare earths globally.

Krucible has first right of refusal over the rare earths at its recently sold Korella mining lease (ML90209) at Phosphate Hill near Mt Isa and has maintained an appropriate relationship with the new owners Australia New Agribusiness and Chemical Group Ltd (ANB) towards jointly mining the JORC inferred rare earths resource at the site.

Krucible has also extended its rare earths activities and discoveries at its Coorabulka (EPM19286) tenement and at the nearby new tenement Valroy (EPM25126) as announced to the ASX 17 July 2014, plus Krucible has just applied for a new nearby tenement at Mulya (EPMA25771). (See map of Krucible tenements below.)

Krucible has also participated in an innovative R&D project with Logicamms (announcement to ASX 30 April 2014) to develop low cost processing technology for the beneficiation of rare earths from its tenements and is investigating other low cost processing solutions. Achieving a cost of production that competes with Chinese costs of production is seen as critical to commercial success. Our partner in the R&D project has not approved release of the technical results of the research yet, although we have been informed that the results are such that immediate progression from the bench top trials to small scale production is feasible.



Rare earths are critical metals used in all aspects of modern technology products from cell phones to LCD displays, from defence to aerospace, and are particularly important in green energy sectors like wind turbines and electric vehicles.

Around 87% of supply currently comes from China where the cost of production is low

enough to make it uneconomical for western countries to compete. At top left is a picture of a Chinese processing plant and top right is a European equivalent for comparison. To avoid the consequent dependence on China, many countries have established special organisations to ensure that supply is risk free. A crucial factor has been the cost of production, which has been a problem for the two main non Chinese producers. Krucible is in talks with several of the international organisations charged with ensuring sustainable supply of rare earths and also with existing processors, miners and users.



Krucible's simple goal is to be the first profitable non Chinese rare earths miner.

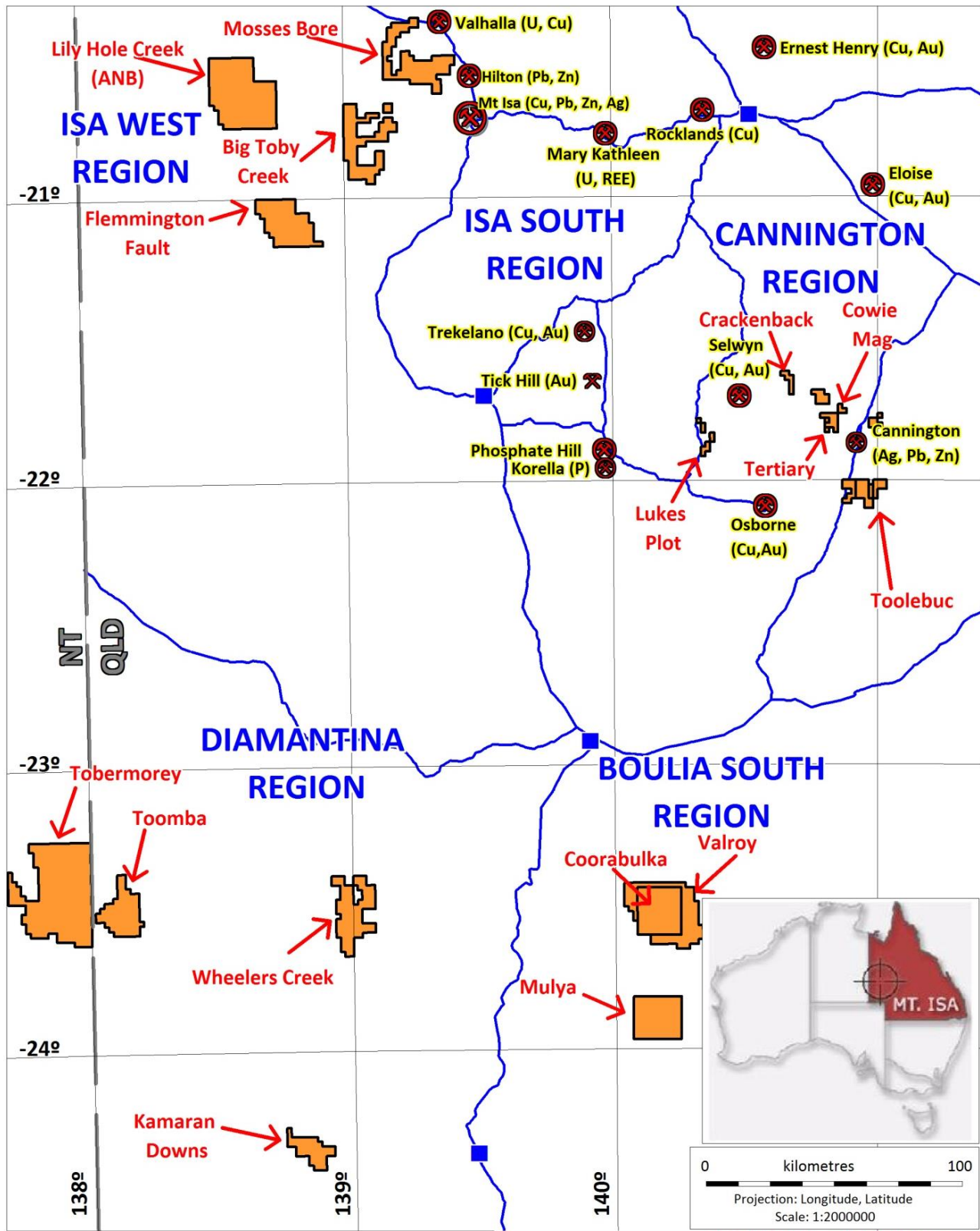
Sincerely,

Allan Branch
Managing Director and CEO



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. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.



LOCATION PLAN SHOWING KRUCIBLE TENEMENTS

FIGURE 1