



KRUCIBLE METALS LTD
Mineral Discovery Company
ABN 12 118 788 846

ASX ANNOUNCEMENT

PRESENTATION – RARE EARTH & STRATEGIC METALS CONFERENCE

22ND JUNE 2011

Please see the attached ASX Announcement relating to the Krucible presentation given at the Rare Earth & Strategic Metals Conference 2011 held in Sydney from the 21st – 22nd June 2011.

Krucible Managing Director Tony Alston presented at this Conference. Tony Alston, Managing Director and Chief Geologist of Krucible, who is a member of the Australian Institute Geoscientists and the Australian Institute of Mining and Metallurgy.

Attached: Rare Earth & Strategic Metals Presentation Jun11

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 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.

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KRUCIBLE PRESENTATION

“Rare Earth & Strategic Metals” Conference

(Sydney, June 2011/Mining IQ)

Tony Alston & Ray Koenig

ASX: KRB



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 Ltd has discovered a Heavy Rare Earth Element (HREE) deposit at the Korella Phosphate Project in Queensland

Subsequent work has led to the estimation of a JORC Code Inferred Resource of 4.2 million tonnes @ 0.96 kilograms per tonne Y_2O_3 (Yttrium Oxide) at shallow depth.

It is believed that at present this deposit is one of the few defined HREE resources in Australia.

PRESENTATION OUTLINE FOR SYDNEY RARE EARTH CONFERENCE

- 🔥 Corporate Background
- 🔥 Location of Korella Phosphate/Rare Earth Project in Queensland
- 🔥 Summary of Korella Phosphate Project and Infrastructure
- 🔥 Korella Yttrium Inferred Resource
- 🔥 Uses and Markets for Yttrium
- 🔥 Characteristics of Korella ore
- 🔥 Geological model for Yttrium Resource at Korella and exploration implications
- 🔥 Yttrium metallurgical test work and Scoping Study
- 🔥 What next and why invest in Krucible?

KRUCIBLE METALS LTD - CORPORATE

Marcus Harris (Chairman, Geologist)

Tony Alston (Managing Director, Geologist)

Dennis Lovell (Secretary and Financial / Director)

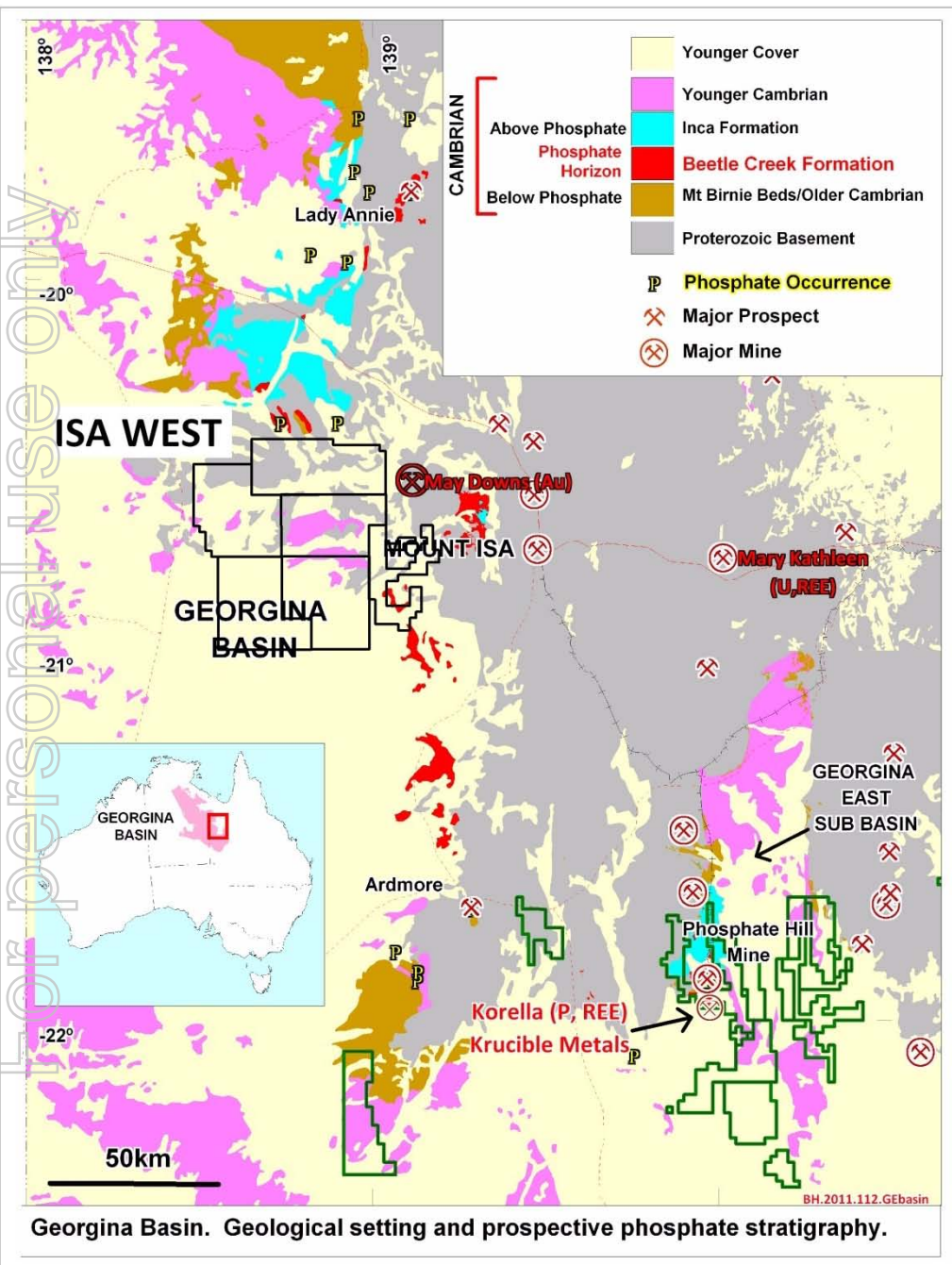
Ray Koenig (Director, Metallurgist and Phosphate Project Manager)

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

- 🔥 Krucible listed on the ASX in November 2007 and raised \$6 million. The Company currently has on issue 62 million fully paid shares.*
- 🔥 Top 20 Shareholders hold approx. 55% of shares.*
- 🔥 Current market cap approx. \$16 million*
- 🔥 Current share price at 23 cents*
- 🔥 Current cash reserves are about \$2.0 million*

NB – Krucible appreciates and would like to thank shareholders for their patience and support.



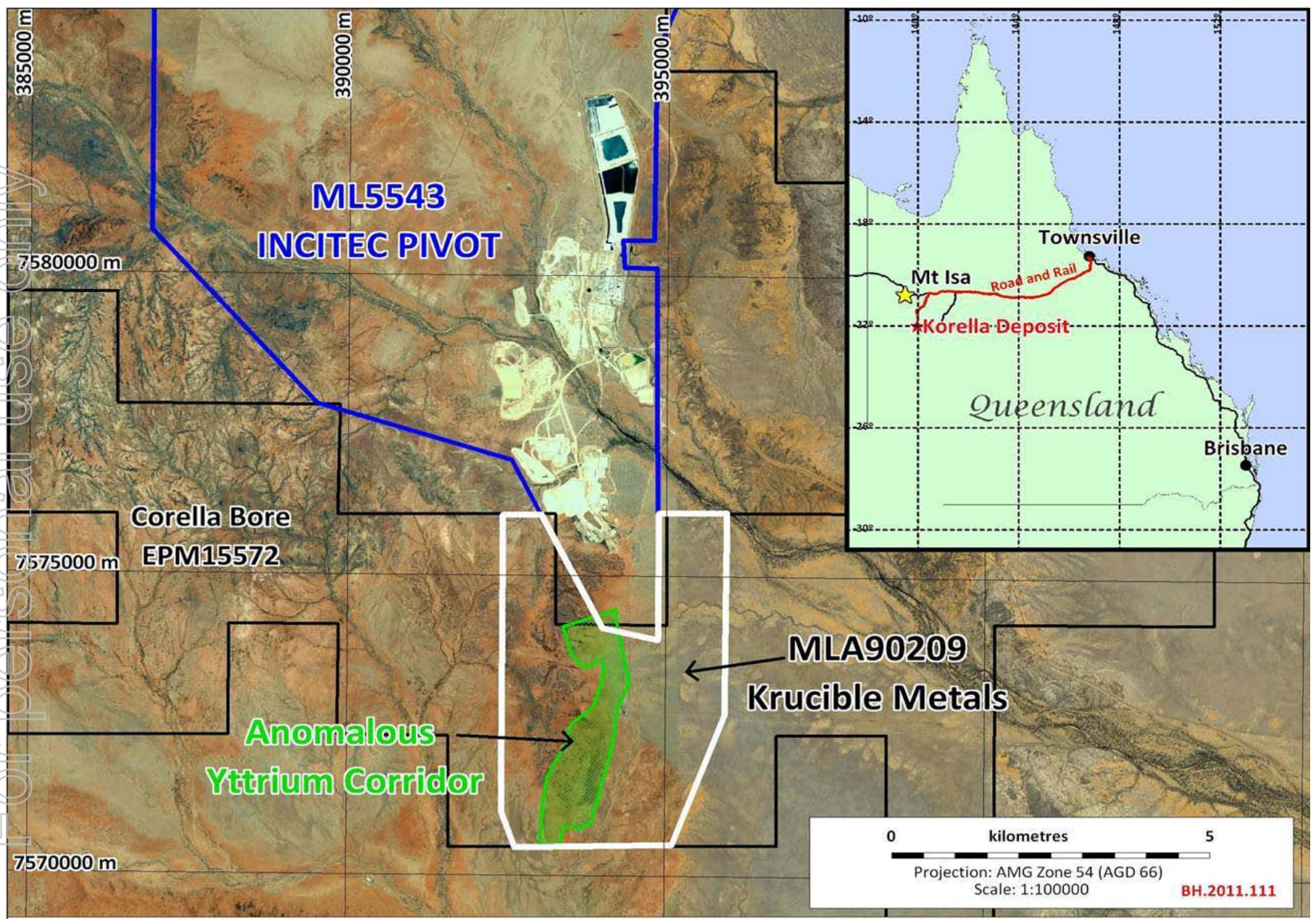


Phosphate Occurrences in the Georgina Basin – map shows a number of occurrences but Krucible’s phosphate is next to infrastructure

NB: Anomalous heavy Rare Earth Elements such as Yttrium, Neodymium and Dysprosium occur close to Phosphate zones in Georgina East Sub-Basin



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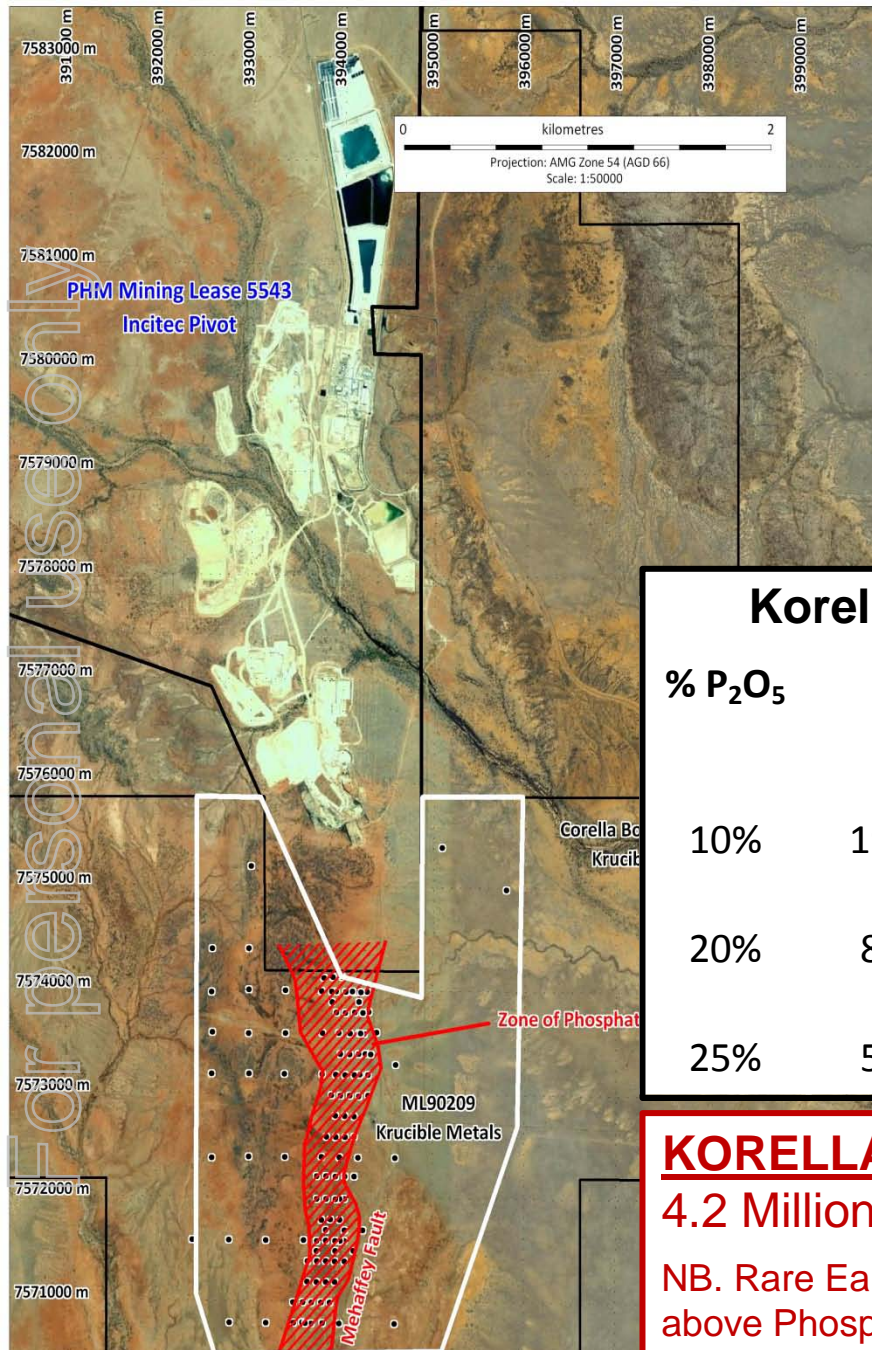
Korella Project Mining Lease with Yttrium Enrichment Corridor

KORELLA PHOSPHATE PROJECT

Mining Lease Application Area for Korella Phosphate Operation submitted in May 2010

(N.B. Expected to be granted in 2011)

*Operational Mining lease 90209 requires
NO EIS and will operate under an
Environmental Management Plan.*



Korella Phosphate Deposit (Inferred Resource)

% P ₂ O ₅	TONNAGE & GRADE	R ₂ O ₃ %	SiO ₂ %	CaO / P ₂ O ₅
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

KORELLA YTTRIUM INFERRED RESOURCE

4.2 Million tonnes @ 0.96 Kilo/Tonne Y₂O₃ (Yttrium Oxide)

NB. Rare Earth potential (Yttrium, Neodymium) Outlined immediately above Phosphate zone

CHARACTERISTICS & ADVANTAGES OF KRUCIBLE PHOSPHATE RESOURCES

- ▲ Korella - 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 Phosphate ($\approx 32\% \text{ P}_2\text{O}_5$)
- ▲ 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



Diamond drilling at Korella

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← Heavy REE enrichment in Hanging Wall – Inca Formation

→ Phosphate Enrichment – Beetle Creek Group

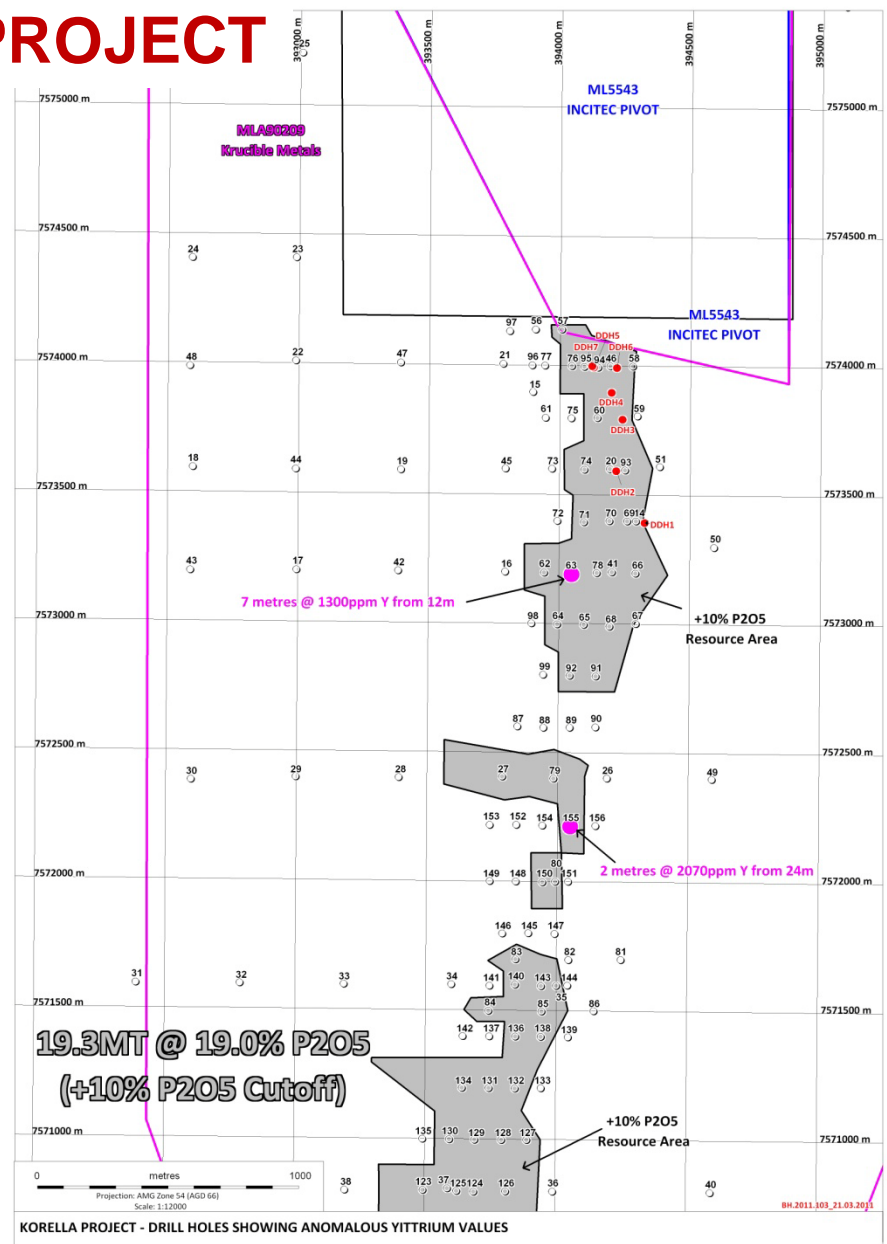
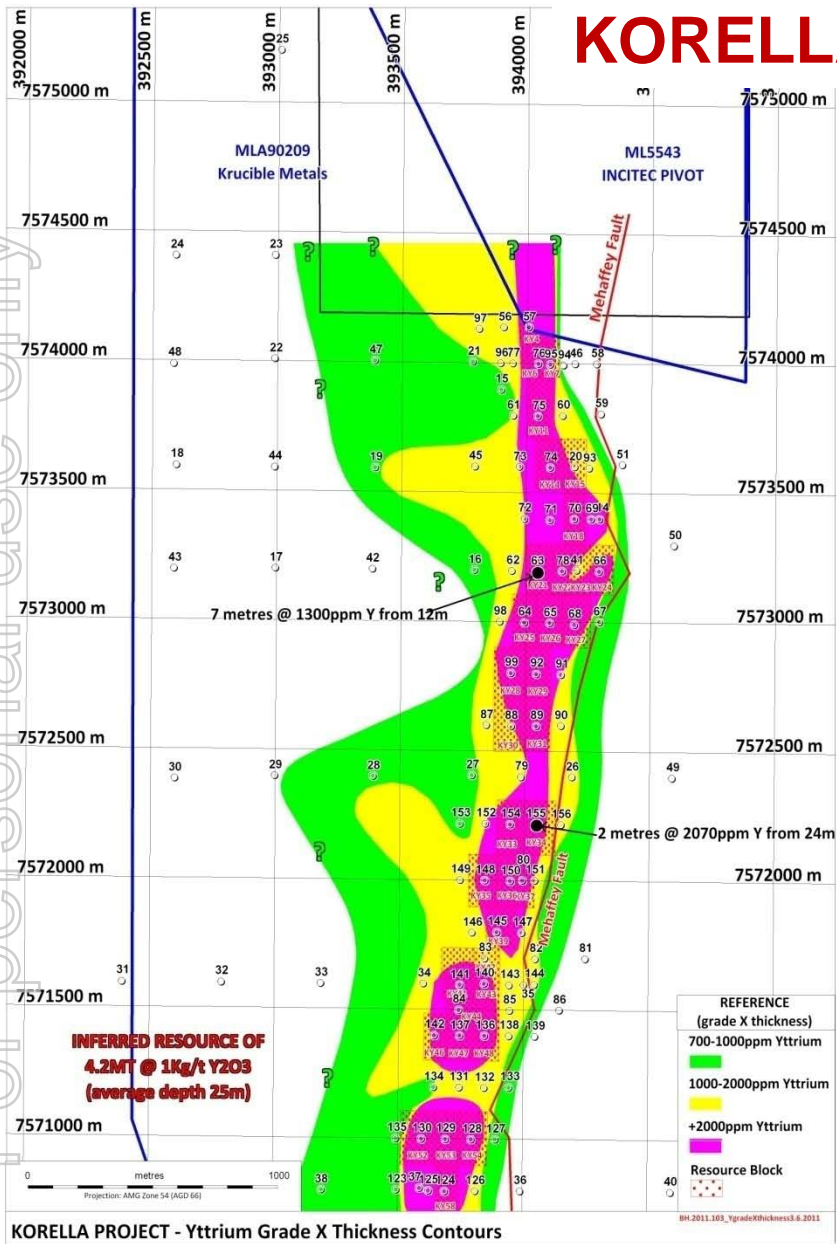
“High grade drill core from 09CBPD04; the intervals from 69.7 - 73.8 metres averages 4.1m @ 36.0% P₂O₅”



KORELLA YTTRIUM MAIDEN INFERRED RESOURCE

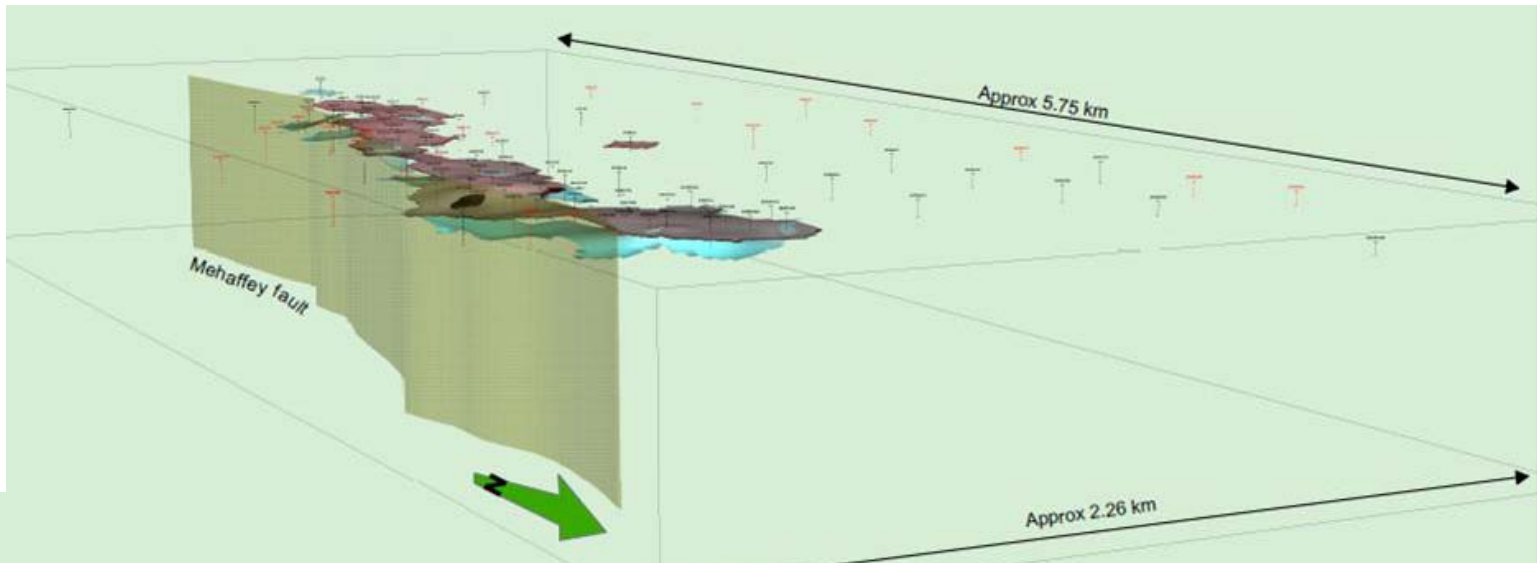
- 🔥 JORC Code Inferred Resource announced on 5th April 2011 – this is associated with the high grade Korella Phosphate Deposit (**Inferred Resource of 5 million tonnes @ 30.8% P₂O₅**)
- 🔥 The Yttrium Inferred Resource is **4.2 million tonnes @ 0.96 kilo per tonne Y₂O₃**
- 🔥 There are also anomalous intersection of **Neodymium** (up to 3m @ 927ppm Nd) and **Dysprosium** (up to 2m @ 294ppm Dy). Further drilling and MET test work required to determine possible resources for these heavy REE
- 🔥 The average Phosphate grade for the Yttrium Resource is **10% P₂O₅** – the Yttrium enrichment zone sits blanket-like immediately above and adjacent to the Phosphate high grade layer
- 🔥 The above Yttrium Inferred Resource was estimated from shallow drilling on 200 x 100 metre spacing (average **depth** is 25 metres). However there are a number of drill holes with anomalous Yttrium grades (at drill spacing of 400 x 400 and 800 x 400m) that have NOT BEEN USED IN CALCULATIONS
- 🔥 Further drilling is planned with the objective of **expanding** the Yttrium Resource as well as possibly **defining higher grade zones** within the current Resource

KORELLA PROJECT

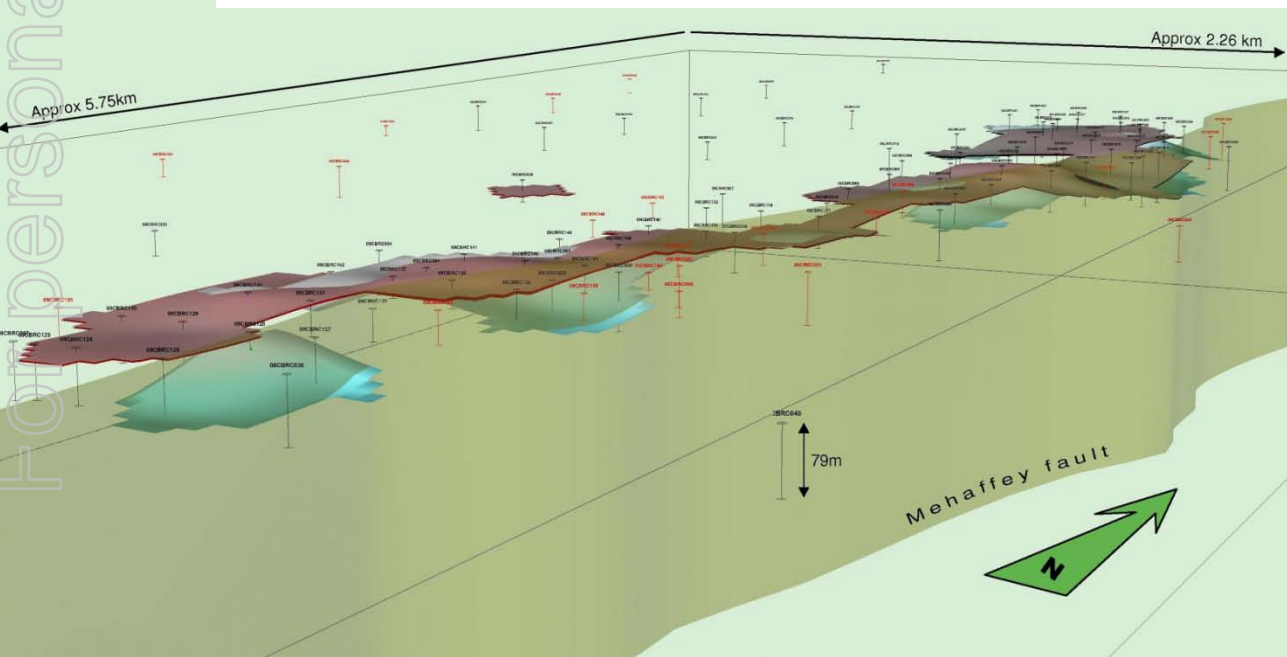


YTTRIUM GRADE x WIDTH CONTOUR PLAN (LHS)
& PHOSPHATE RESOURCE BLOCKS (RHS)

KORELLA DEPOSIT 3D VIEWS OF PHOSPHATE & YTTRIUM ENRICHMENT ZONES



View Looking Southwest showing Drill Holes



View Looking North-Northwest showing Drill Holes

Legend

- Drillhole (Yttrium not Sampled)
- Drillhole (Yttrium Sampled)
- Yttrium ≥ 500 ppm
- Phosphate $\geq 10\%$

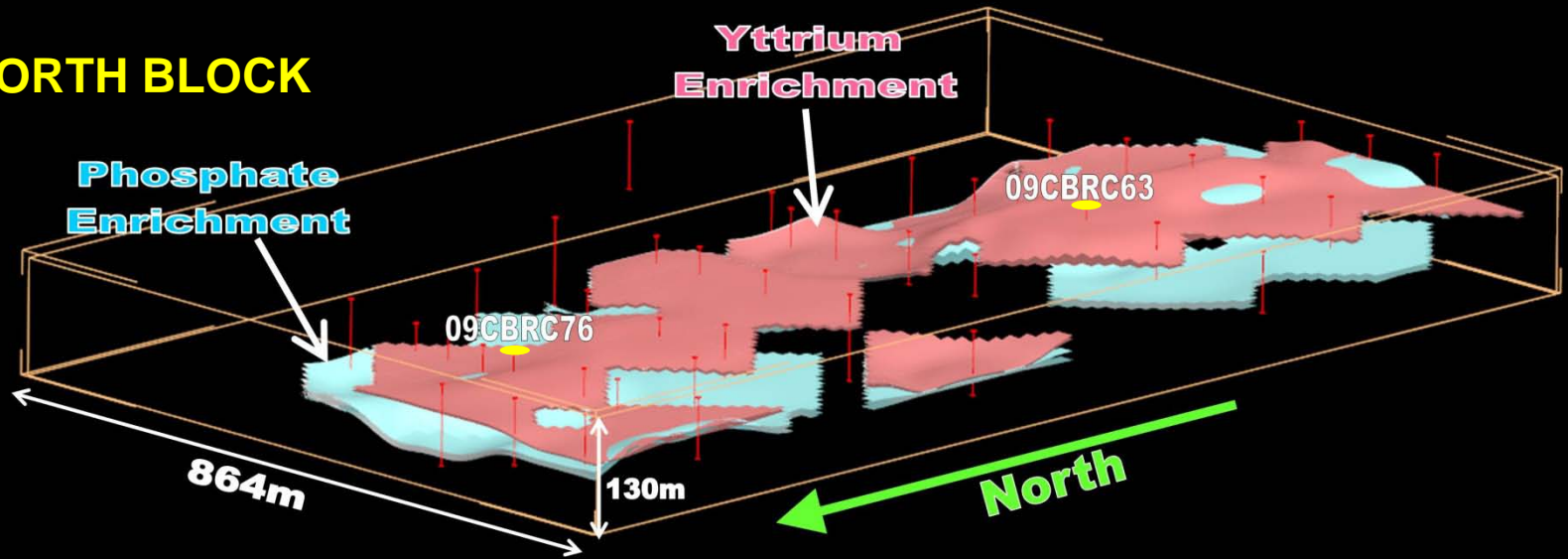


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KORELLA DEPOSIT 3D VIEWS OF PHOSPHATE & YTTRIUM ENRICHMENT ZONES

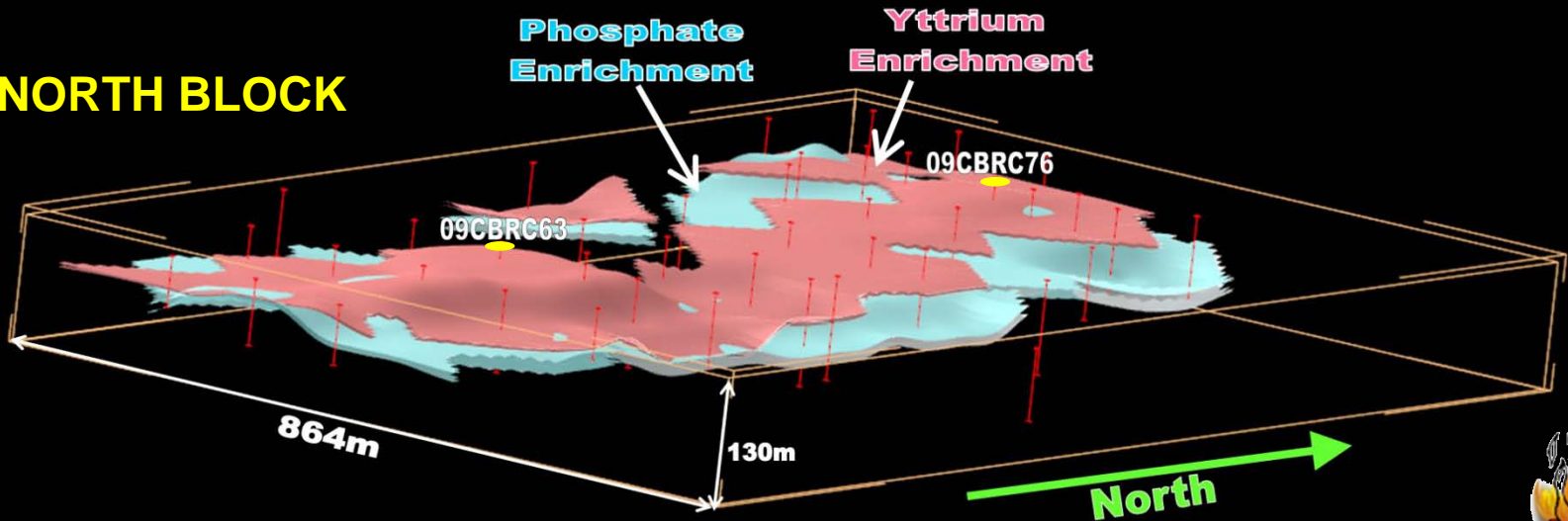
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NORTH BLOCK



View Looking South East showing Drill Holes

NORTH BLOCK



View Looking North West showing Drill Holes



USES & MARKETS FOR YTTRIUM

- Yttrium primarily used in high tech industries for **manufacture** of;
SUPER ALLOYS)
SUPER CONDUCTORS) miniaturisation
SUPER MAGNETS)
CERAMICS & LASER TECHNOLOGY
- The **consumption** of Yttrium (and other heavy REE) is rapidly **increasing** due to global emphasis on “green technology” such as hybrid cars, wind turbines and water treatment as well as expanding markets related to mobile phones, computers, TV’s and defence communications
- The heavy REE world market is dominated by China and their **embargo** on exports has resulted in strong price increases over the last 1 – 2 years
- Prices quoted currently (6/6/11) are about;
Yttrium metal \$170 per kilo (Yttrium powder \$150 per kilo)
Neodymium metal \$300 per kilo
Dysprosium metal \$1200 per kilo

Yttrium Hydroxide

Yttrium Hydroxide, also called Yttrium Hydrate, is applied in ceramics, glass, and electronics. High purity grades are the most important materials for tri-bands, Rare Earth phosphors and yttrium-iron-garnets, which are very effective microwave filters.

Yttrium Metal

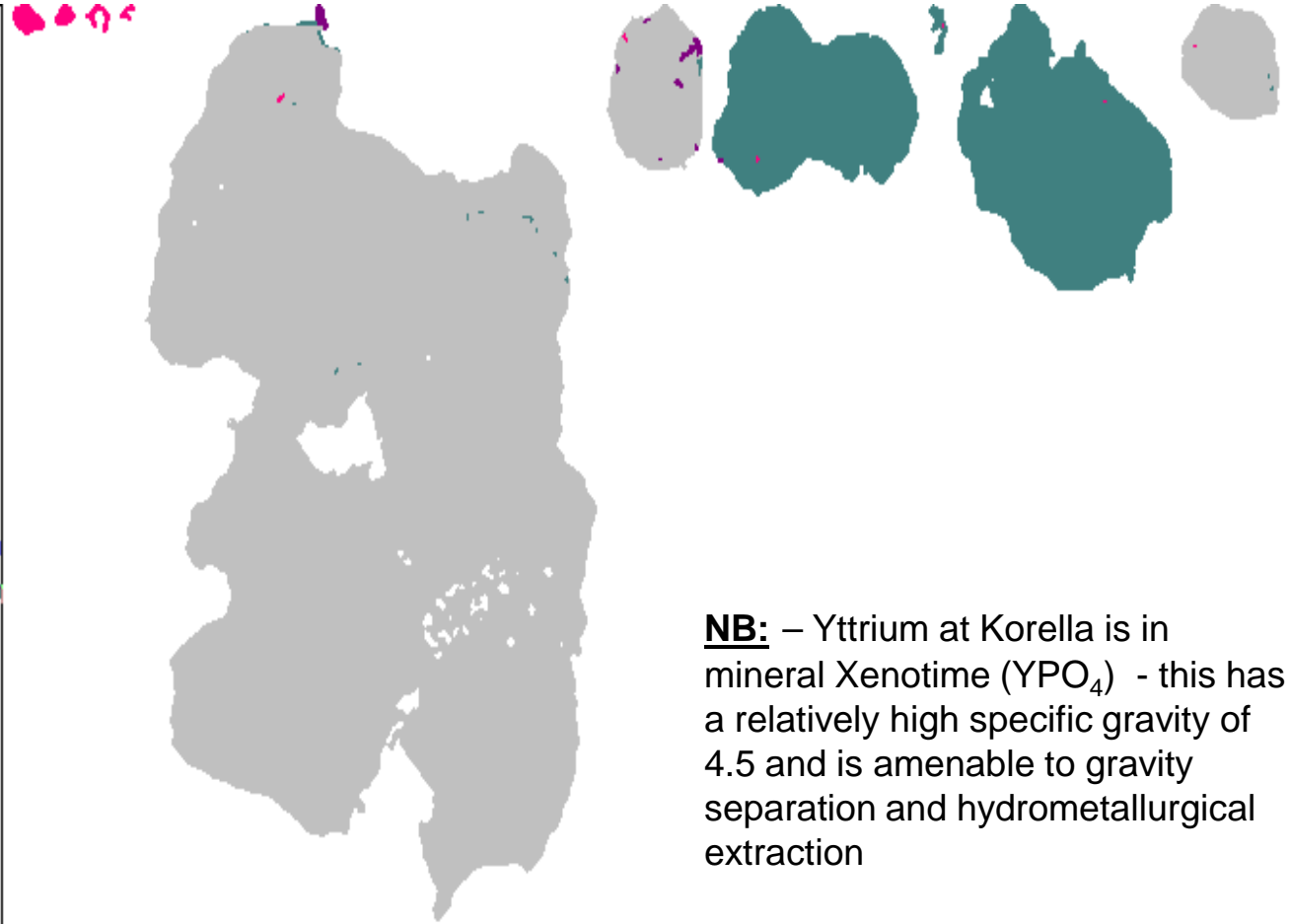
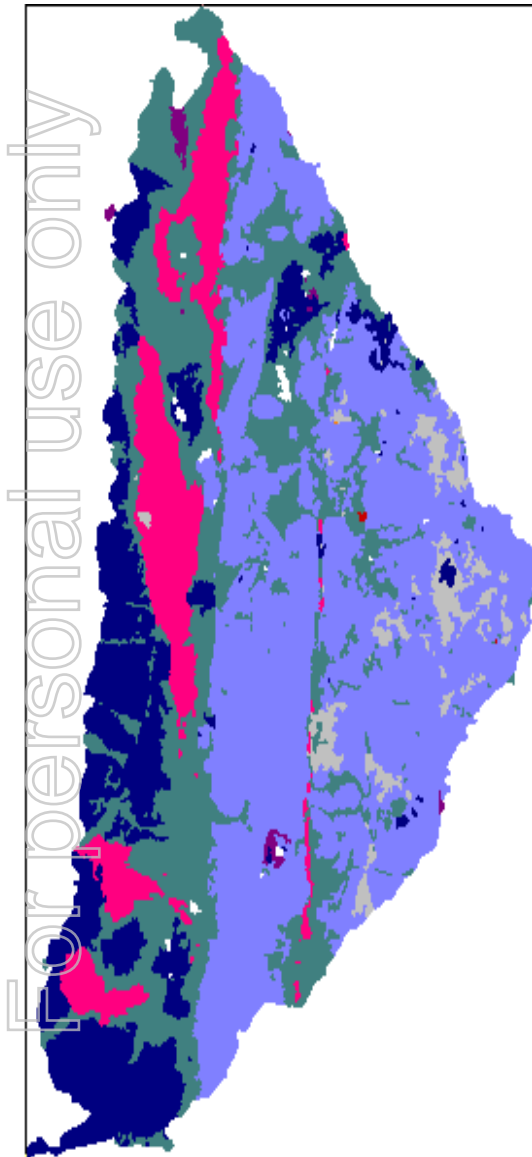
Yttrium Metal is widely applied in making speciality alloys, it increases the strengths of alloys of metals such as chromium, aluminium, and magnesium.



Korella Drill Chips with Yttrium enrichment



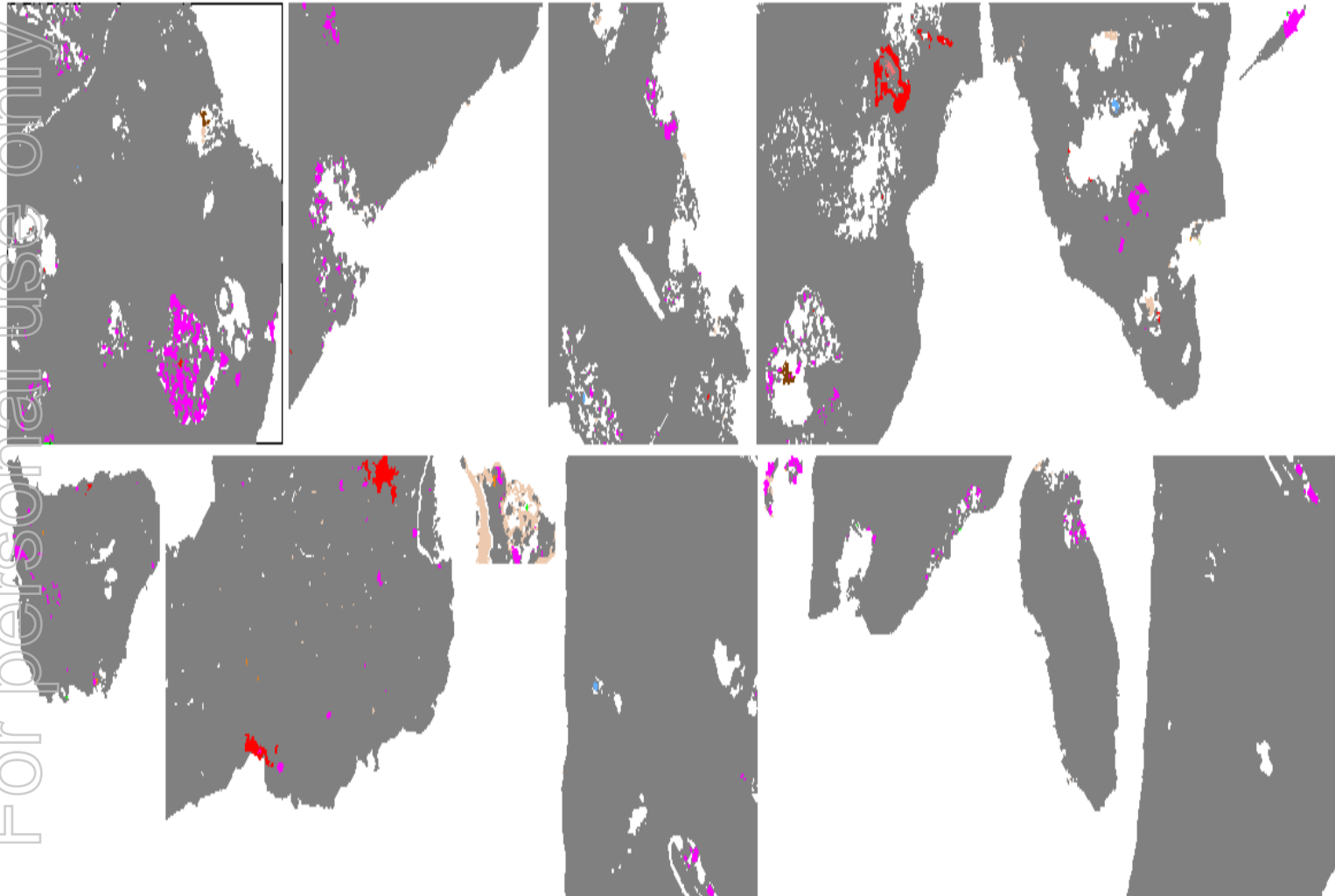
Korella Mineralogy test work from ALS Laboratories Showing Yttrium in Xenotime (Pink)



Line Up of Xenotime Grains Detected in Sample

Korella Mineralogy test work from ALS Laboratories Showing Yttrium in Xenotime

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- 1 Xenotime
- 2 Pyrite
- 3 Hollandite
- 4 Ilmenite
- 5 Iron-oxide
- 6 Iron-oxide-V
- 7 Anglesite
- 8 Rutile
- 9 Apatite
- 10 Crandallite
- 11 Crandallite-Na
- 12 Variscite
- 13 Wavellite
- 14 Barite
- 15 Kaolinite
- 16 K-feldspar
- 17 Muscovite
- 18 Quartz
- 19 Smectite
- 20 Zircon

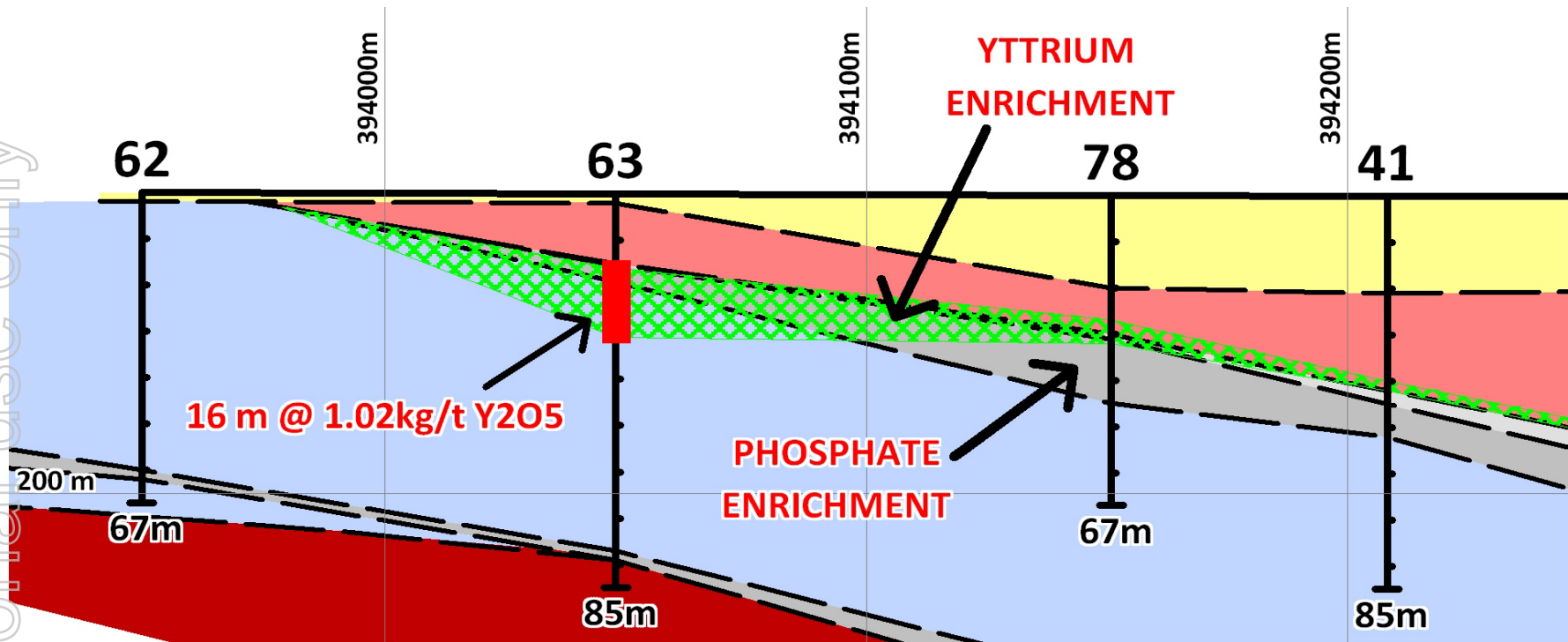
200µm

KORELLA GEOLOGICAL MODEL FOR HEAVY RARE EARTH (HREE) ENRICHMENT







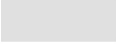

- 🔥 The Korella Deposit is described as a **SEDIMENTARY – DISCONFORMITY – PHOSPHORITE MODEL**
- 🔥 This is of middle Cambrian Age (\approx 440 million years) and is related to a break in sedimentation from shallow to deep seawater, due to faulting (DISCONFORMITY)
- 🔥 The Yttrium is related to **PHOSPHATE ZONES** and occurs as the mineral **XENOTIME** (Yttrium Phosphate) in the waning stages of high grade Phosphate development
- 🔥 Subsequent **UPLIFT** has resulted in the Xenotime enrichment zones currently being found at shallow levels (5 – 50 metres)
- 🔥 The **KORELLA MODEL** for HREE is a “COOL” **SEDIMENTARY DEPOSIT WITH LITTLE ASSOCIATED RADIO ACTIVITY** (compared to other “HOT” deposits such as Nolans Bore and Mt. Weld which are more dominated by light REE and Thorium radioactivity)
- 🔥 Exploration application of the **KORELLA MODEL** has lead to the **DISCOVERY** of new outcropping Yttrium occurrences which may add to future resources

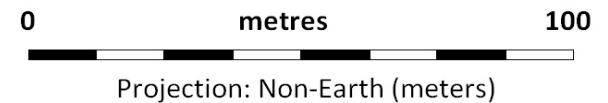
KORELLA CROSS SECTION

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REFERENCE

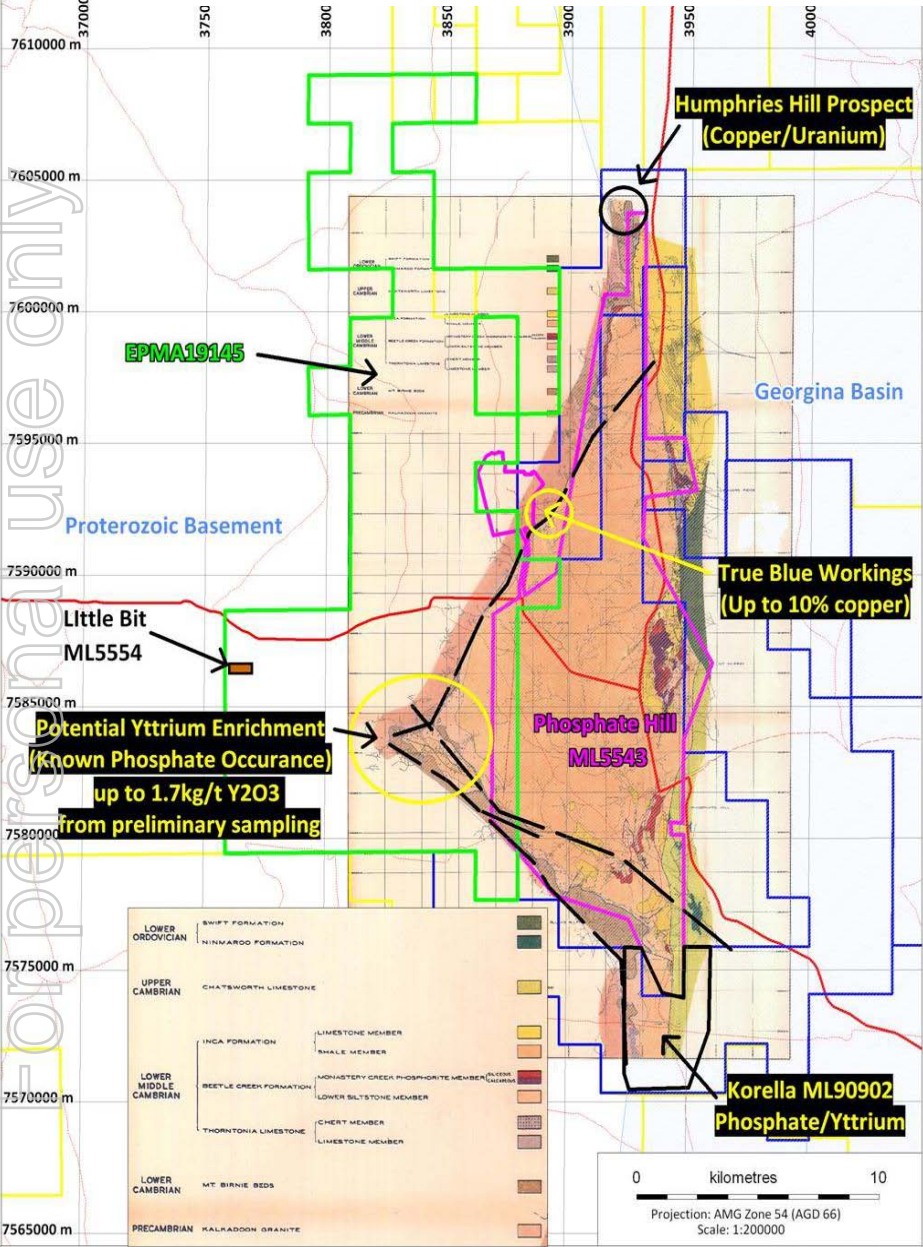
	+500ppm Yttrium		Lode B
	Cover		Lower Siltstone
	Inca Formation		Lode D
	Lode A		Mt Birnie Beds



BH.2011.110_7573200N

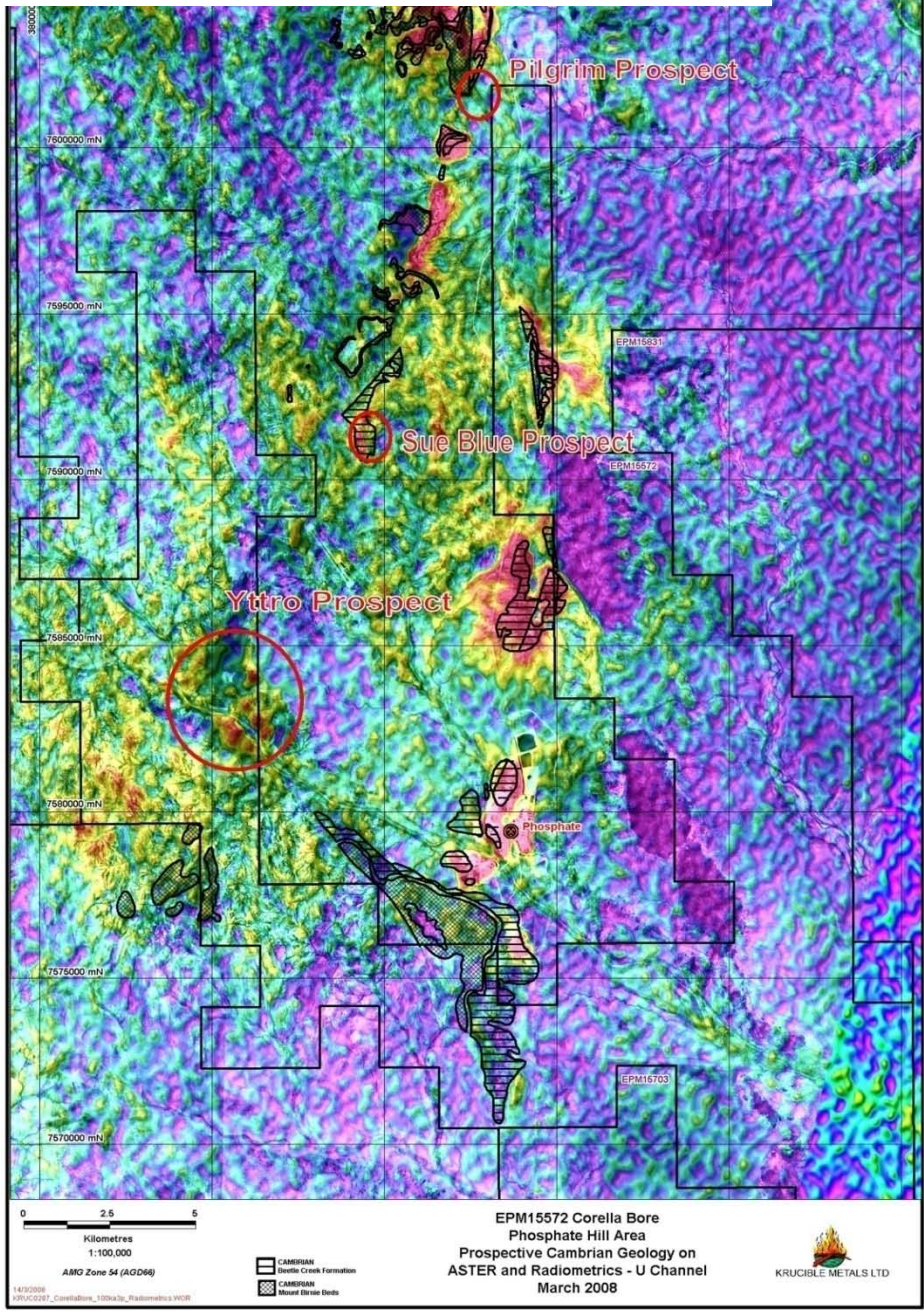
Section 7573200N Showing Anomalous Yttrium Values

Regional Geology and Radiometrics showing new REE prospects



Yttrite EPMA19145 Geology Plan

BH.2011.121.YTTRIOgeology



EPM15572 Corella Bore Phosphate Hill Area
Prospective Cambrian Geology on ASTER and Radiometrics - U Channel
March 2008



14/3/2008
Y:\GEOLOGY\2008\100\100\Radiometrics\YTR

YTTRIUM TESTING PROGRAM / KORELLA

- 🔥 Establish grades and resource – Stage 1 complete
- 🔥 Determine mineralogy – Stage 1 complete
- 🔥 Laboratory metallurgical testing including:
 - Grinding tests including Bond Work Index
 - Heavy liquid tests to establish the potential for gravity separation
 - Jig, spiral and table testing depending on test results
 - Flotation testing if required



YTTRIUM SCOPING STUDY

- 🔥 To be commenced after completion of initial metallurgical tests.
- 🔥 Market and product requirements to be developed as part of the study
- 🔥 Potential market and buyers to be approached
- 🔥 Capital and operation costs to be developed as part of the Phosphate operation
- 🔥 NPV to be established as part of the Phosphate project.



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Townsville Port – Panamax Ship Size Capability



WHAT NEXT FOR KRUCIBLE?

- 🔥 Complete prelim rare earth (Yttrium) metallurgy at Korella
- 🔥 Commence drill program at Korella to upgrade Rare Earth (REE) Resource & obtain larger samples for metallurgical testing
- 🔥 Advance grant of Korella mining lease
- 🔥 Further REE met test work for Korella
- 🔥 Updated Yttrium Resource at Korella
- 🔥 Continue definition of near surface yttrium occurrences near Korella
- 🔥 Complete Scoping Study for REE at Korella
- 🔥 Assess development options at Korella for Phosphate & REE

WHY INVEST IN KRUCIBLE?

- 🔥 Leveraged for future success in development & exploration
- 🔥 Properties mainly 100% owned
- 🔥 Experienced directors with positive track record
- 🔥 Tightly held capital structure (current 63m shares – directors hold 15.5%)
- 🔥 Diversified commodity range – withstand vagaries of commodities market?
- 🔥 Focussed target area – Mt. Isa region
- 🔥 Range of risk factors due to combination of grass roots metal prospects to pre-development Phosphate and REE
- 🔥 Low admin costs – money in ground
- 🔥 Predicted news stream of results in next 6 – 12 months
- 🔥 Likely cash flow in future



Krucible Metals Ltd



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