



Quarterly Activities Report



KRUCIBLE METALS LTD

Mineral Discovery Company

ABN:12 118 788 846 ASX Code: **KRB**

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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.

ASX ANNOUNCEMENT

For the three months ending 30 June 2014 (31 July 2014)

HIGHLIGHTS

-  Krucible has completed extensive ground work on 8 of the 10 greenfield tenements it retained after selling off the Company's phosphate assets.
-  Krucible has focussed on systematic scientific ground surveys to identify suitable drilling targets in its approach to exploring these new grounds.
-  Aerial surveying of Tobermorey (EL28170) covered 2,347 linear kilometres in July 2014.
-  Sampling and assays from Coorabulka (EPM19286) and Valroy (EPM25126) have extended the Company's rare earths prospects.
-  Analysis and modelling of the magnetic anomaly at Coorabulka has identified a large complex body approximately 1km below surface which is therefore not an immediate target but is continuing to be analysed.
-  The second of the phytogeochemical research field trips to correlate known drilling results with new spinifex samples was conducted at Toomba (EPM15367) following better than expected results from the first exercise.
-  Australia New Agribusiness and Chemical Group Ltd (ANB) and Krucible have continued discussions around the joint development of the rare earths at Korella (ML90209) as a potential entry stage to mining the phosphates.
-  Krucible continues to review potential mining acquisitions as part of its plans to ensure long term access to exploration revenues and has engaged in discussions with approximately 40 potential companies to-date.
-  Krucible has promoted its rare earth objectives and strategies on the international conference circuit with interest expressed from several parties including the USA Critical Minerals Institute.
-  In addition to the current rare earths processing R&D, Krucible is investigating a second and a third low cost technology as part of its plans to accelerate becoming a rare earths processor in Australia.
-  Krucible has invested in 490 m² of freehold premises combining warehouse for core storage, offices, meeting rooms, map rooms and parking close to services and facilities in Railway Estate, Townsville.
-  In this period Krucible Metals Limited ("Krucible", "Company") has seen its ASX KRB share price steadily improve by 35% from \$0.048 to \$0.065 after peaking at \$0.07. The price of its KRG0 options which traded at a record \$0.022 at the end of the quarter and peaking at \$0.03.



1. COMPANY BUSINESS ACTIVITIES

1.1. SUMMARY

Krucible has completed extensive ground work on 8 of the 10 greenfield tenements it retained after selling off the Company's phosphate assets in January 2014.

Krucible has focussed on systematic, scientific ground surveys to identify suitable drilling targets in its approach to exploring these new tenements and has called tenders for drilling to commence in August 2014.

Aerial surveying of Tobermorey (EL28170) has covered 2,347 linear kilometres post period (July 2014) and results will be reported when received in approximately a month.

Sampling and assays from Coorabulka (EPM19286) and Valroy (EPM25126) have extended the Company's rare earths prospects.

Analysis and modelling of the magnetic anomaly at Coorabulka has identified a large complex body approximately 1km below surface which is therefore not an immediate target but is continuing to be analysed.

The second of the phytogeochemical research field trips to correlate known drilling results with new spinifex samples was conducted at Toomba (EPM15367) following better than expected results from the first exercise.

Australia New Agribusiness and Chemical Group Ltd (ANB) and Krucible have continued discussions around the joint development of the rare earths at Korella (ML90209) as a potential entry stage to mining the phosphates.

Krucible continues to review potential mining acquisitions as part of its plans to ensure long term access to exploration revenues and has engaged in discussions with approximately 40 potential companies to date.

Krucible has promoted its rare earth objectives and strategies on the international conference circuit with interest expressed from several parties including the USA Critical Minerals Institute.

In addition to the current rare earths processing technology R&D, Krucible is investigating a second low cost technology and plans to examine a third, as part of its plans to accelerate becoming a rare earths processor in Australia.

Krucible has invested in 490 m² of freehold premises combining warehouse for core storage, offices, meeting rooms, map rooms and parking close to services and facilities in Railway Estate, Townsville.

In this period Krucible Metals Limited ("**Krucible**", "**Company**") has seen its ASX KRB share price steadily improve by 35% from \$0.048 to \$0.065 along with the price of its KRGO options which traded at a record \$0.03 at the end of the quarter.



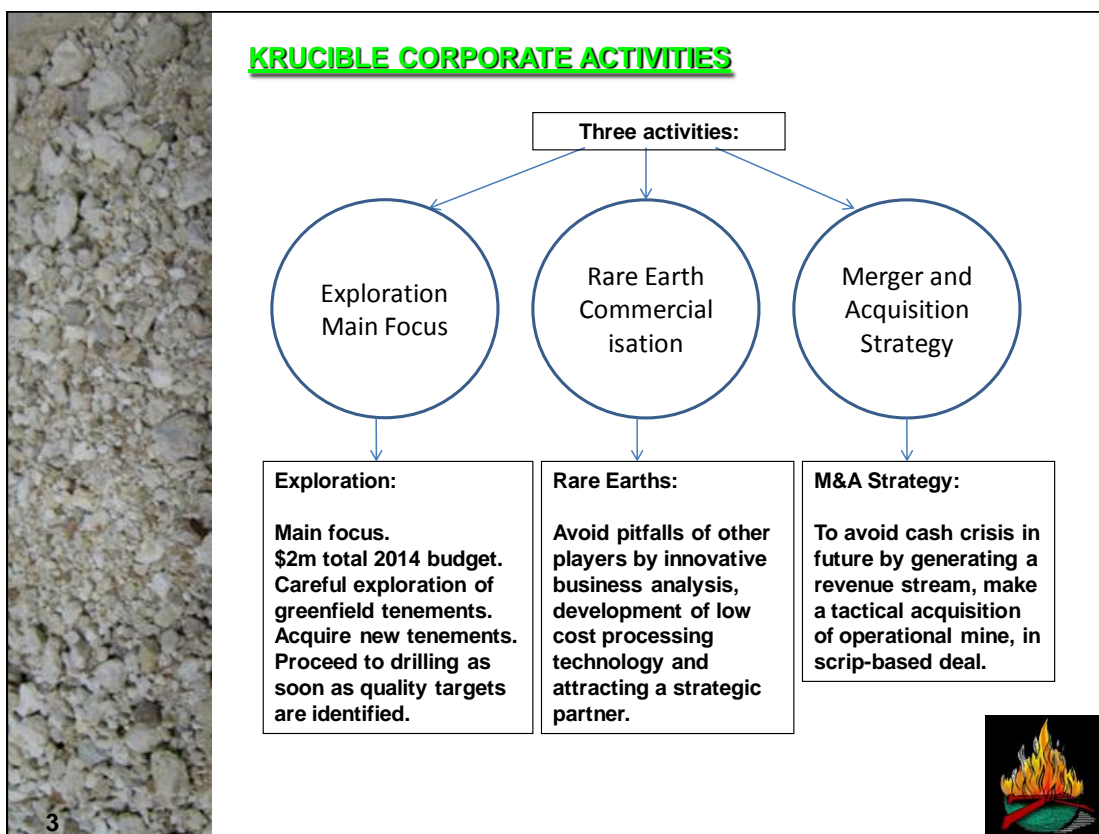
1.2. BUSINESS BACKGROUND AND STRATEGY

1.2.1. Core Business Activities

Krucible is a successful and financially secure junior resources company with an enviable history of discovery in phosphorus and heavy rare earth elements plus a proven ability to commercialise its discoveries. Listed on Australia's main stock exchange since 2007, Krucible continues to explore for precious metals, base metals and especially strategic metals like strontium, molybdenum, rare earths and phosphate. With recent interest in graphite and tungsten, these have been added to Krucible's area of interest.

Krucible's business operations consist of three focus areas:

1. Exploration
2. Rare Earths Commercialisation
3. Merger and Acquisitions





1.2.2. Exploration Strategy

Krucible holds 12 granted tenements and 2 current applications. One application, Tertiary (EPM19717), was granted in May 2014. Additionally Lily Hole Creek (EPM19090) has been under caretaker mode on behalf of ANB and has now been transferred in title.

Of the 12 granted tenements retained after selling the Company's phosphate assets, 10 are greenfield sites and 2 are known tenements where we have conducted prior work (Toomba EPM15367 and Squirrel Hills EPM15354 where we have done previous work but are now exploring in new areas).



Extensive field work has been conducted on 8 of the 10 greenfield sites in a systematic and scientific exploration program to best identify potential drill targets. This work has included our first geophysical aerial survey of Tobermorey and modelling of ground and magnetic data from Coorabulka. The aerial survey was undertaken and completed in late July 2014, so is an activity subsequent to the current reporting period. As well as identifying areas of interest and potential drilling targets, work at the two other sites at Toomba and Luke's Plot (EPM17613) is close to finalisation and drilling is anticipated soon.

	<u>KRUCIBLE EXPLORATION GREENFIELD ACTIVITY</u>			
	Of the 10 greenfield tenements, Krucible has conducted field exploration on 8 of them since receiving its exploration budget at the beginning of February 2014. Krucible has also managed the progression of three new applications, dropped some and selected 2 new tenements, plus maintained the residual ANB tenement.			
	Granted Tenements			
	EPM Name	EPM No.	Date of Grant	Notes
	Toomba	15367	26/02/2007	Second phytogeochemical exploration, drilling soon
	Kamaran	15389	12/03/2007	CCA being negotiated, drilling planned
	Squirrel Hills	15354	29/03/2007	
	Toolebuc	19027	8/05/2012	
	Flemington Fault	19099	25/09/2013	First field trip June 2014
	Lukes Plot	17613	20/10/2010	Aerial geophysical survey planned
	Cowie Mag	17921	20/10/2010	Field trips completed in late 2013 and mid July 2014
	Big Toby Creek	19095	5/12/2013	First field trip in June 2014
	Coorabulka	19286	5/12/2013	REE, Sr. Important strategic tenement for 2014 with field trips completed in May 2014.
	Tobermorey	28170	5/04/2011	Aerial geophysical survey scheduled for July 2014
	Valroy	25126	29/01/2014	First field trip completed in May 2014.
	Tertiary	19717	27/05/2014	Field trip completed mid July 2014
	Tenement Applications			
	EPM Name	EPM No.	Date of Application	Notes
	Whealers Creek	19475	7/12/2011	Progressing application
	Mosses Bore	25487	9/01/2014	Progressing application
	Lily Hole Creek	19090	24/02/2011	Sold to ANB
				

This widespread and systematic work on almost all of our tenements over the last few months has resulted in the identification of previously unknown drill targets and drilling is planned for late August and September 2014 at Toomba, Tobermorey and Kamaran Downs.

1.2.3. Rare Earths Commercialisation Strategy


Following the dramatic increase in the price of rare earth in 2011, Krucible invested significant time and money in the exploration, discovery and development of its rare earths activities. That work was successful with results reported for Korella, Yttro, Coorabulka and Valroy (ASX announcements: 28 February 2011, 11 January 2012, 19 April 2012, 5 June 2014). Recent field work has expanded the results from both Toomba and Valroy (ASX announcement: 17 July 2014). In January 2014, Krucible sold Korella and Yttro in a package to ANB, but retained first right of refusal to any joint venture to develop the non phosphate minerals on those tenements.

The prices of rare earths have subsequently returned to pre 2011 levels and Krucible has developed an innovative strategy to capitalise on its discoveries. The Company has conducted pricing research to understand the dynamics shaping rare earth prices and has continued the bench top research into alternative low cost rare earth processing technology. Those initiatives, along with the extended discoveries at Coorabulka and Valroy, have been



presented at several international rare earth conferences during the current reporting period, with the objective of identifying interested third parties to participate in the development of our rare earths.

The phosphate and rare earth resource at Korella is JORC inferred and Krucible has held recent discussions with ANB towards a joint exercise to accelerate plans to mine and process that ore. Krucible's objective is to use its knowledge of pricing pressures, access to low cost processing technology, with access to Korella initially because it sits immediately on existing infrastructure including rail, road, airport, camp, gas, electricity and communications. If this plan is successful, it brings Krucible to the forefront of a small number of rare earth companies vying to enter this critical industry sector.



KRUCIBLE RARE EARTHS RATIONALE

Following a dramatic tenfold increase in the value of rare earth elements (REE) in 2011, Krucible invested in exploring, discovering and developing its rare earth projects.

The result has been disclosures via the ASX of work at Coorabulka, Yttr and Valroy, including a JORC inferred resource at Korella.



Rare earth prices have returned to earth since then, but with significant time, money and resources expended by Krucible, it is essential for the Company to commercialise its rare earth activities.

Otherwise that past work is a waste of shareholder funds.

Krucible discovered that the rare earth sector was complex and not well understood.

Nevertheless, rare earths are on everyone's agenda and countries like Japan and the USA, as well as the European Union have created organisations to develop strategies to avoid risk and dependence on China for supply.

So Krucible committed to a strategy of unprecedented innovation to avoid the pitfalls of other players.




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1.2.4. Mergers and Acquisitions Strategy

Krucible has an active Merger and Acquisition strategy (M&A). The Company intends to acquire an existing producer with current revenues in a scrip deal (to avoid using Krucible cash reserves), in order to bring ongoing revenues into Krucible. The Company has advised the market of this strategy, (ASX announcement 16 October 2013 Annual Report).

To date Krucible has conducted a search, analysis and review of some 40 companies resulting in negotiations with and or offers to a handful, including formal offers to 2 companies through this current reporting period, but so far with no completed deal.



KRUCIBLE M&A RATIONALE


In early 2012, Krucible had exhausted its cash reserves and shareholders were close to losing all of their investments.

This crisis was due in part to the Global Financial Crisis (GFC), the most severe downturn in the global economy and the mining industry since the Great Depression.

The GFC continues, so to avoid that threat to shareholder wealth again, the Board has embarked on a sustainability and risk management strategy.

The goal is for Krucible to acquire or merge with an existing mining company with operations and cash flow, to generate a long term revenue stream to add to shareholder value.

GOLD dropped by more than 2% overnight, coming off a four-month high. Futures fell as low as \$US1306.70 an ounce but last traded at \$1308.50/oz, after sitting at around \$1340/oz this time yesterday. It comes as Goldman Sachs global head of commodities Jeffrey Currie told Bloomberg that gold would be \$1050/oz by the end of the year as investors move into inflationary hedge assets.



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1.3. FINANCES

Krucible's cashflow for the past quarter and projections for the next quarter are detailed in the attached Appendix 5B.

Our unaudited Current Assets at 30 June 2014 were \$11,098,700 (compared with \$618,050 at the 30 June 2013). Unaudited Non-current Assets total \$2,682,275 consisting mostly of capitalised exploration and evaluation costs. Total Assets are therefore \$13,780.975.

Krucible has invested in plant and equipment, particularly freehold premises, vehicles and analytical equipment, which has been financed through medium term commercial loans to fit with the Company's cash flow strategy.

1.4. RECOGNITION OF SHAREHOLDER LOYALTY

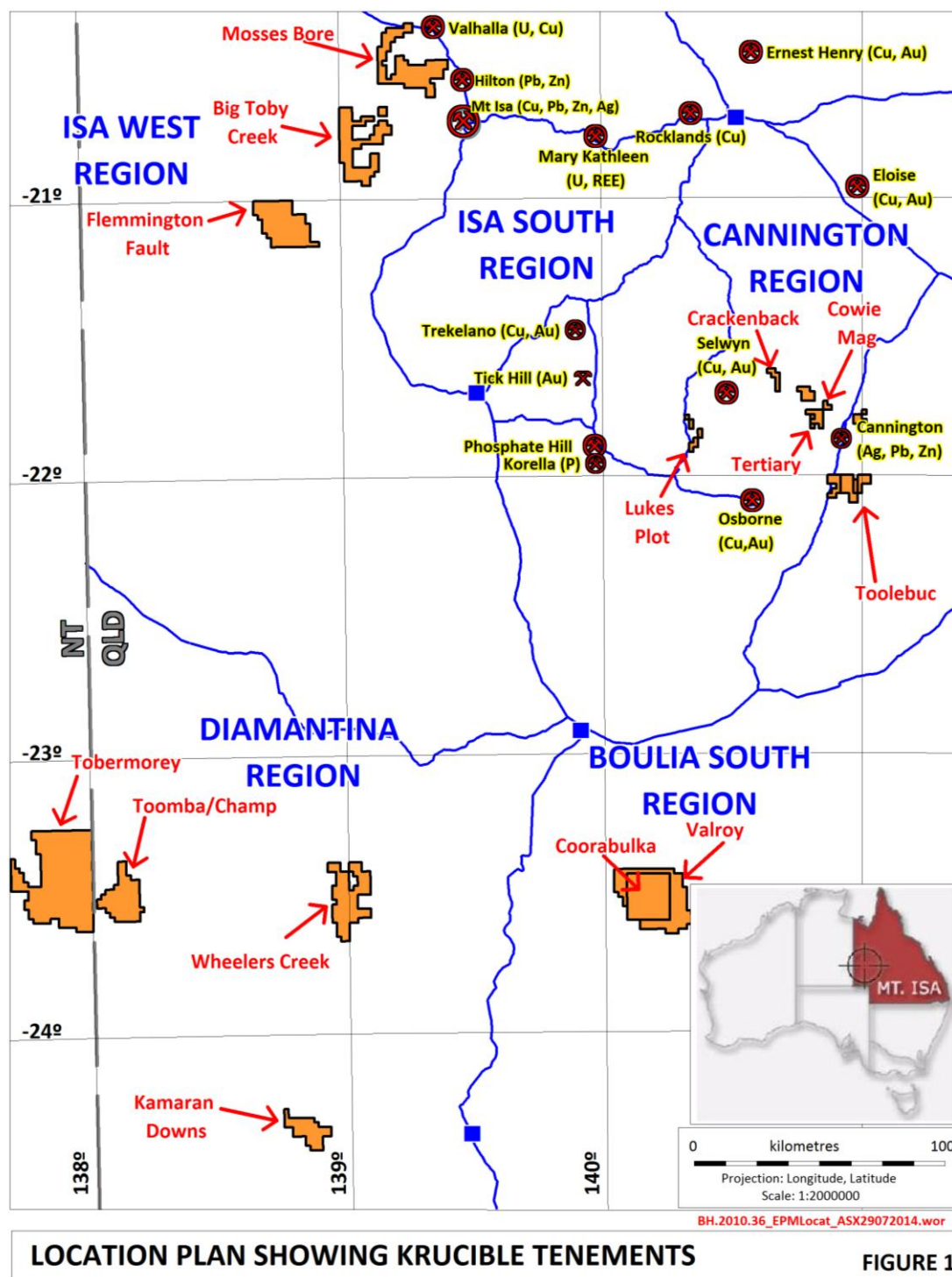
Krucible is primarily an exploration company and its highest return of value to shareholders is in continued exploration and potential resource discovery. The Company has nevertheless previously indicated its intention to reward shareholders, resulting in the issue of bonus options to eligible shareholders on 25 March 2014. Those options trading on the ASX with the symbol KRBO have held their value and are quoted at \$0.03 at present. Krucible intends to continue rewarding the loyalty of shareholder with future innovative offerings.



2. EXPLORATION

2.1. SUMMARY

Krucible currently has 14 tenements; 13 in Queensland and 1 in the Northern Territory. They are located in the mineral rich areas around Mt Isa, (Cannington and Isa West and South) in the Boulia and Diamantina areas (Figure 1).



Of the 14 tenements, 2 are progressing through their application phases and 10 are greenfield with only 2 tenements that have seen previous drilling activity by Krucible



(Toomba and Squirrel hills). During the last 6 months, Krucible has conducted exploration campaigns on 7 greenfield EPMs and 1 previously explored site. They are: Coorabulka, Valroy, Toomba, Tobermorey, Flemington Fault, Big Toby Creek, Tertiary, Cowie Mag.

This systematic ground work and related scientific analysis on these tenements has already generated potential drilling targets and Krucible Directors are pleased to announce that tenders have been called to drill on 3 tenements starting in August 2014.

2.2. BOULIA SOUTH

2.2.1. Valroy EPM25126

Lag surface sampling in May 2014 based on previous REE anomalous reconnaissance samples (ASX Announcement 31st October 2013) was completed with encouraging results. The grid samples were initially analysed by an Olympus Delta (DP-4050-HCR) portable XRF (x-ray fluorescence). Results indicated strongly anomalous yttrium and strontium (ASX announcement 5 June 2014). The lab assays from ALS Global returned anomalous values up to **307ppm copper, 1500ppm cerium, 357ppm lead, 2.87% strontium, 2.78% phosphorous (6.37% phosphate), 235ppm praseodymium, 894ppm neodymium, 107ppm samarium, 254ppm yttrium and 734ppm zinc** (ASX Announcement 17th July 2014). The anomalous samples from the REE suite form overlapping anomalies with two distinct patterns indicated in Figure 2.

A rock chip of outcrop on the south eastern corner of the grid (Figure 2) composed of white chalky siltstone returned high REE results of **354ppm yttrium, 130ppm dysprosium, 190ppm gadolinium, 611ppm praseodymium, 273ppm samarium, 6.16% phosphorous and 5.92% strontium** (ASX Announcement 17th July 2014).

Results indicate that anomalous REE's are occurring within the young (Cretaceous?) sediments at or near surface. This is possibly remobilised enrichment zones from a source at depth below surface. There are a number of strong peripheral anomalies which need to be investigated. This will require extensions to the current sampling grid and is expected to be completed by September 2014.

2.2.2. Coorabulka EPM19286

In May 2014 Krucible completed a soil sampling program encompassing two council 'borrow pits' where previous anomalous samples are located. The grid was a wide-spaced, first-pass attempt to find zones of potential REE enrichment on the prospect.

Initial portable XRF analysis using an Olympus Delta (DP-4050-HCR) indicated there was potential for anomalous REE in these samples (ASX Announcement 5 June 2014). ALS Global assay results are very consistent with the portable XRF results and confirm the presence of REE (ASX Announcement 17th July 2014).

The 'borrow pit' is identified as a positive anomaly in a number of the images (Figure 3). However the more exciting features are the stronger anomalies on the eastern and southern margins of this grid indicating a wider zone of enrichment (Figure 3) than previously known. Further sampling will be completed to define these anomalies.

Krucible also completed costeaning work on the 'borrow pit' at Coorabulka during May to



determine the density of the nodules in the area. Work is continuing on the samples collected from this exploration. Initial observations suggest the nodules may be a surface weathering feature approximately 0.5m thick in this area. Beneath the nodules is a grey clay unit of the Cretaceous Allaru Mudstone which is not considered prospective. Whether the anomalous REE continue below this unit is not known and further work needs to be completed in this area.

Modelling by GeoDiscovery of the magnetic anomaly in the Coorabulka EPM has been completed with preliminary images received. These indicate the magnetic body is deep but has a number of interesting structural features including a series of north-west trending structures which have been cut by large north-south trending lineaments (Figure 4).

While the magnetic body is not an immediate target the modelling does indicate the area is structurally complex with the possibility of numerous compression phases and re-activation zones, favourable for the mobilisation of enriched fluids. The most obvious structural feature is a deep seated north-south fault which has a magnetic signature from 200m below surface.

Many Carbonatite intrusions have a distinct magnetic signature which is a large, circular isolated body with concentric zonation and can have an associated gravity anomaly. Coorabulka has some similar features to this type with an isolated circular magnetic feature up to 10km wide. Zonation of the body is complicated by the strong deformation caused by structures. Work is continuing on the magnetic interpretations of this interesting anomaly.

2.3. DIAMANTINA

2.3.1. Toomba EPM15367

During the quarter Krucible completed a lag sampling program over 3 previous untested prospects. The Krusty, Hook 2 and Vos West prospect areas all returning anomalous results (ASX Announcement 3rd June 2014). Krusty has an overlapping copper, zinc, lead anomaly overlying interesting geophysical signatures. Hook 2 anomalies correspond to an interpreted structure. Vos West has some of the highest copper lag results in this EPM to-date, surpassing lag results from the Champ prospect overlying a strong magnetic trend at interpreted shallow depths (<100m). Planned drilling in August 2014 will be targeting some of these anomalies.

Concurrently with the lag sampling a biogeochemical sampling program was completed by the Queensland Geological Survey (GSQ). The sampling program carried out in April 2014 by HDR|Salva has led to the second round of spinifex sampling which began on the 17th of July. It is expected that this method of sampling can be used to indicate mineralisation sub-surface through metal uptake in the spinifex root system. To date results appear promising (these are property of the GSQ and will be released when available) and interpretations from this sampling will contribute valuable information to the upcoming drilling program.

Drilling in this environment is logistically challenging with a number of 12m high sand dunes and lack of tracks. Krucible is keen to test the deeper extents of the shallow mineralisation previously intersected at the Champ prospect (3m @ 2.4% copper from 12m (09TMRC-29 AGD66 210370E, 7400968N) and also increase the area of drilling to test the western extents of the EPM. A call for quotes was sent out on the 16th July for 2500m of RC drilling.



The Company applied for a Collaborative Drilling Grant under the Queensland Governments Future Resources program for up to \$150,000 to assist with direct drilling costs. The results of our application will be available from the government soon.

2.3.2. Kamaran Downs EPM15389

This EPM lies close to the Diamantina Hinge Zone, a contact zone between 3 separate terranes: the Mt Isa block, the Arunta Complex and the Gawler Craton (Queensland Government). Further to this in the east of the EPM lies the Toomba Fault Zone where 110km to the north-west Krucible discovered copper in shallow drilling (ASX Announcement 26 October 2013 Annual Report).

Geophysical surveys and interpretations completed by Krucible and consultants have identified a near co-incident magnetic and gravity anomaly similar to Olympic Dam (ASX Announcement 26 October 2013 Annual Report). These highlighted prospective drilling targets in the basement units are interpreted to be between 200 and 500m below surface.

The Company applied for a Collaborative Drilling Grant under the Queensland Governments Future Resources program for a grant of up to \$150,000 for direct drilling costs. The results of our application will be available from the government soon.

Krucible has been on site in June to inspect the proposed drill hole locations for access. Unfortunately wet weather cut this exploration short. However it was determined the area has good access in dry conditions and minimal earthworks would need to be completed for drill rig access.

Drilling tenders have been sent out to Companies to quote on the program which is expected to include 4 diamond drill holes approximately 600m deep. Krucible expects this program to begin in September, if the landholder agreements are in place.

2.3.3. Tobermorey EL28170

UTS Geophysics began the planned aerial geophysical survey over the Tobermorey tenement on the 19th of July with data acquisition taking 5 days. The survey was initially delayed in May due to aircraft mechanical failures and then high winds. The data acquisition has encompassed almost 2,400 kms on a 150m traverse line spacing in the NE corner of the EL (Figure 6). This covers the Elstone prospect where past work by Krucible has returned up to 428ppm lead in quartz breccia sub-crop (AGD66 795027E, 7421729N) (ASX announcement 31 July 2013).

Surface sampling in July 2013 by Krucible in the area has identified lead, copper, silver and zinc anomalism (ASX announcement 31st July 2013) thought to occur within an iron rich quartz breccia which outcrops on the eastern and to a lesser extent on the western edges of a ridge composed of quartz breccia and sandstones. This enrichment may be caused by leakage from a source of mineralisation below surface. This anomaly also corresponds with a large magnetic ridge with low resolution in government images.

The airborne survey is expected to further define the broad magnetic high underlying the anomalous surface geochemical samples (Figure 6) and will help identify structures, sub-surface geological trends and exploration targets. 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 tenders have been sent out for this EL for 2000m of RC drilling to test the surface anomalism as well as magnetic targets from the geophysical survey. This is expected to commence in September 2014.

2.4. ISA WEST

2.4.1. Big Toby Creek EPM19095

Preliminary field reconnaissance samples collected during a recent field trip have indicated the rock units at surface include quartzite, ironstones and sandstones. Minor sericite schist with quartz veining most likely from the Yaringa Metamorphic was identified in one area. There are a number of interesting geophysical anomalies and outcropping Proterozoic units within the EPM which have not yet been followed up (Figure 7).

Krucible plans to complete a gridded surface sampling program over parts of the EPM to highlight any anomalous areas.



Photo 1 Ironstone outcrop in creek at Big Toby Creek EPM

2.4.2. Flemington Fault EPM19099

During the quarter Krucible field crew completed preliminary reconnaissance exploration on the EPM. The tenement is almost entirely flat and covered in alluvium and co-alluvium. Access to the area is good with a number of station tracks through the EPM. Further work on this EPM will include a magnetic survey to follow up on the prospective North West magnetic and gravity trend visible in the Government Regional Images (Figure 7)



2.5. CANNINGTON

2.5.1. Cowie Mag EPM17921

This EPM situated in the interpreted Cannington Structural Corridor has been the subject of a number of surface geochemical sampling programs which have highlighted geochemical anomalies including a zinc, copper, lead anomaly in an area where previous drilling by Aberfoyle in the 1990's recorded weakly anomalous zinc in weathered Proterozoic units at shallow depths (<40m). Further south Krucible has identified a molybdenum, lead anomaly from lag sampling which is interpreted to extend south into Krucible's newly granted Tertiary EPM19717.

In July Krucible completed preliminary reconnaissance sampling on the north eastern area of the EPM. This area is characterised by splays of the Cloncurry Fault, a crustal scale structure which runs north-south through the eastern extent to this tenement. Field sampling identified a number of ironstone bodies within the prospect area within calc-silicate and quartzite units. This is considered to be a highly prospective area for lead, zinc, silver mineralisation. Assay results from rock chip samples collected during this trip are expected in approximately 4 weeks. Krucible plans to complete surface geochemical sampling over the more prospective areas in this EPM in the coming months.



Photo 2 Ironstone Outcrop Cowie Mag EPM

2.5.2. Tertiary EPM19717

This EPM is adjacent to the Cowie Mag EPM and was granted to Krucible on the 27th May 2014. The primary target on this EPM is molybdenum and lead mineralisation which is anomalous in previous lag sampling on the Cowie Mag EPM to the north. The identified anomaly from the Cowie Mag trends south west into the Tertiary tenement following an interpreted basement structure. Krucible has extended this sampling into the newly granted EPM in July and Lab results of this work are expected in approximately 4 weeks.



Attached: Figures 2-8

Further Information:

AC Branch

Allan Branch

Managing Director & CEO

Krucible Metals Ltd.

WEB SITE: www.kruciblemetals.com.au



About Krucible Metals Limited:

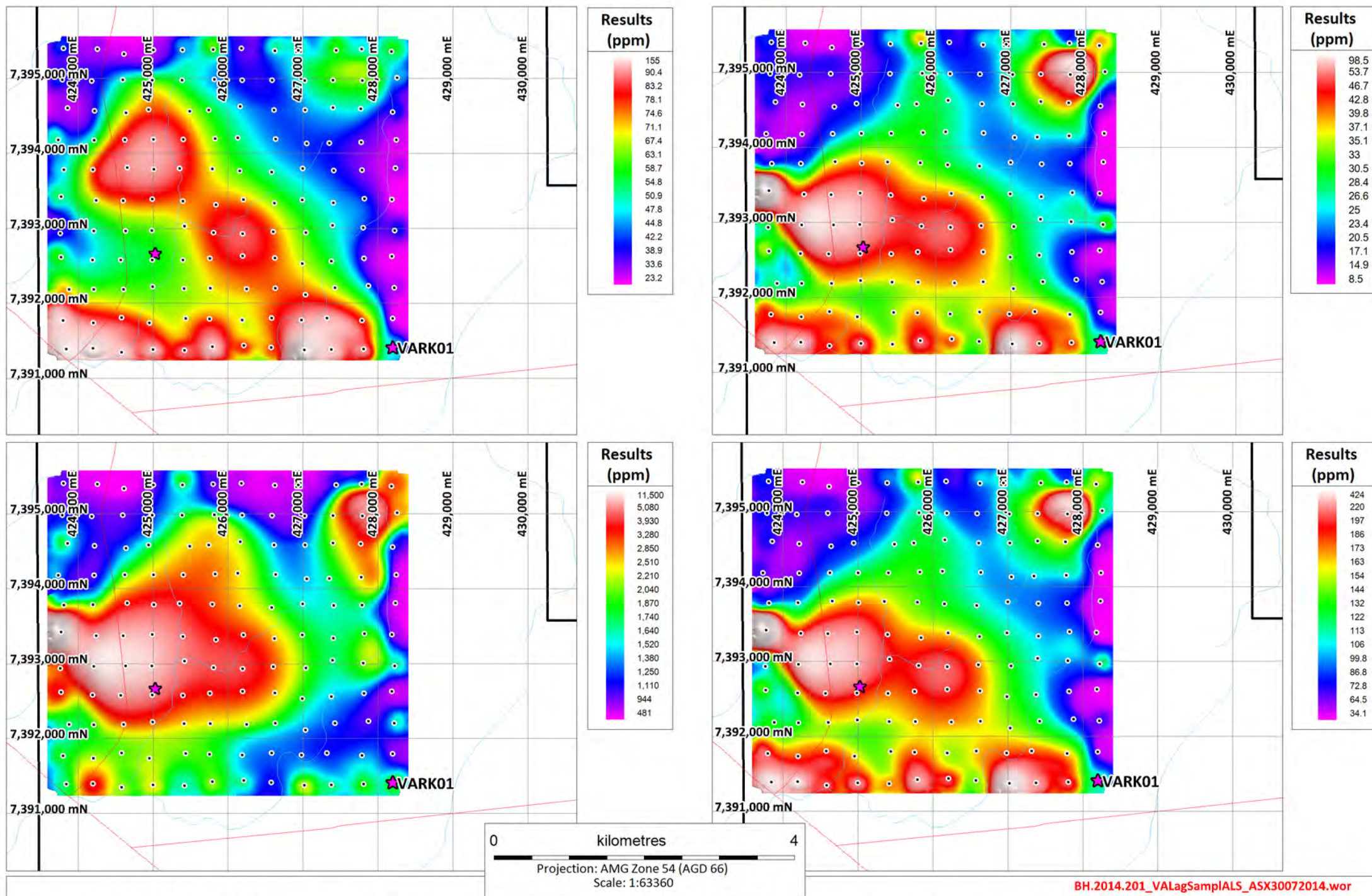
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COMPETENT PERSON STATEMENT

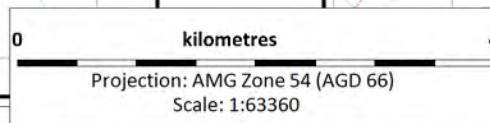
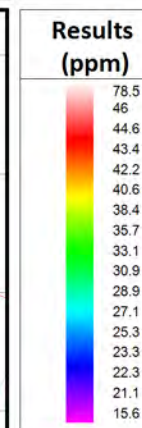
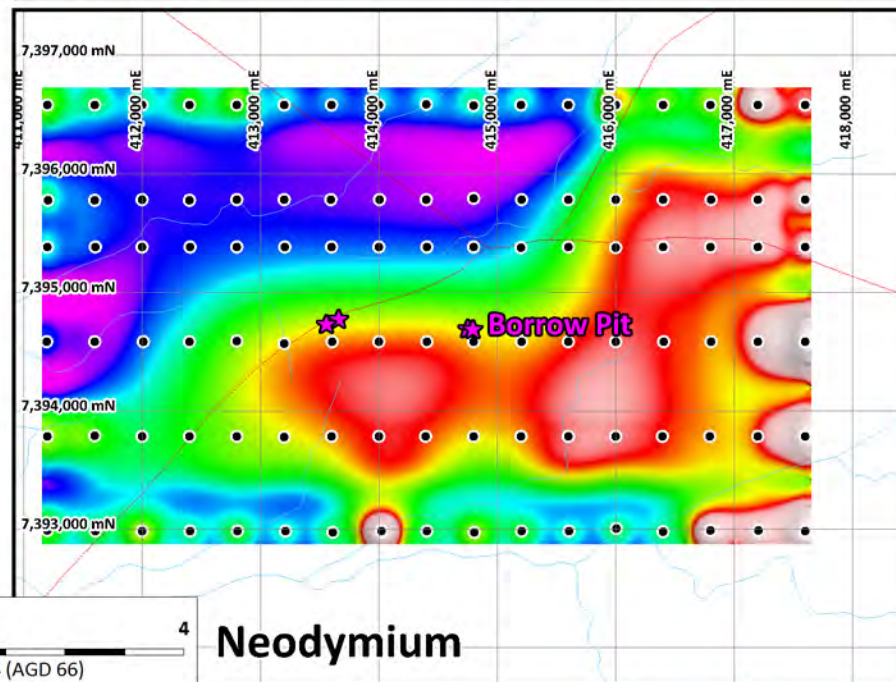
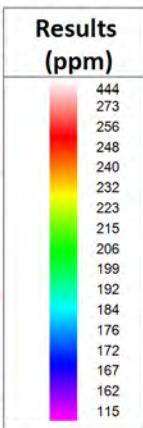
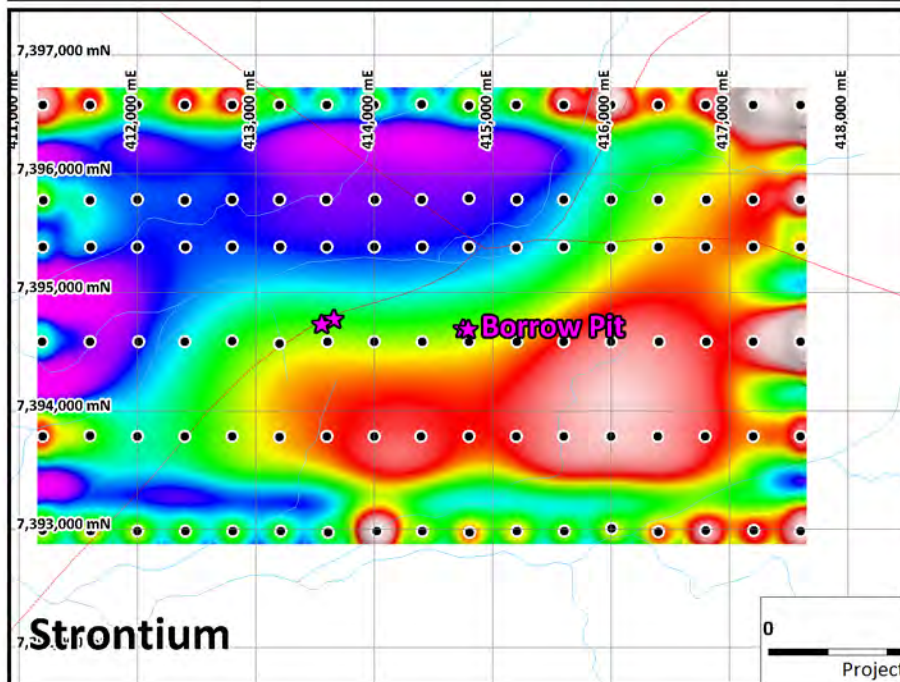
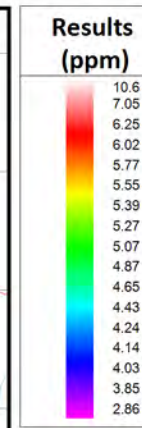
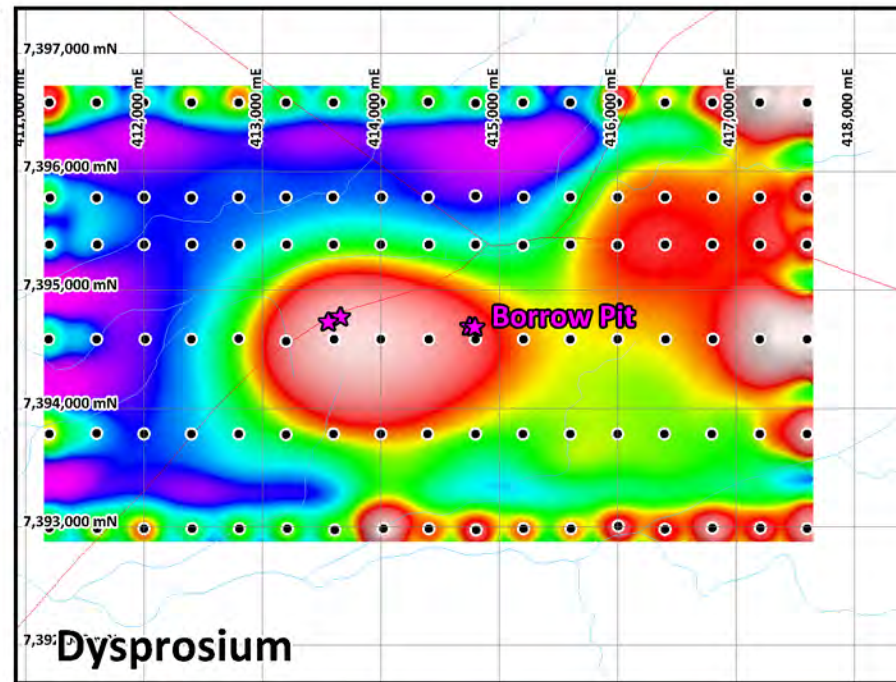
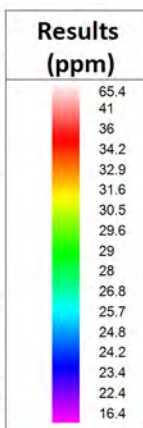
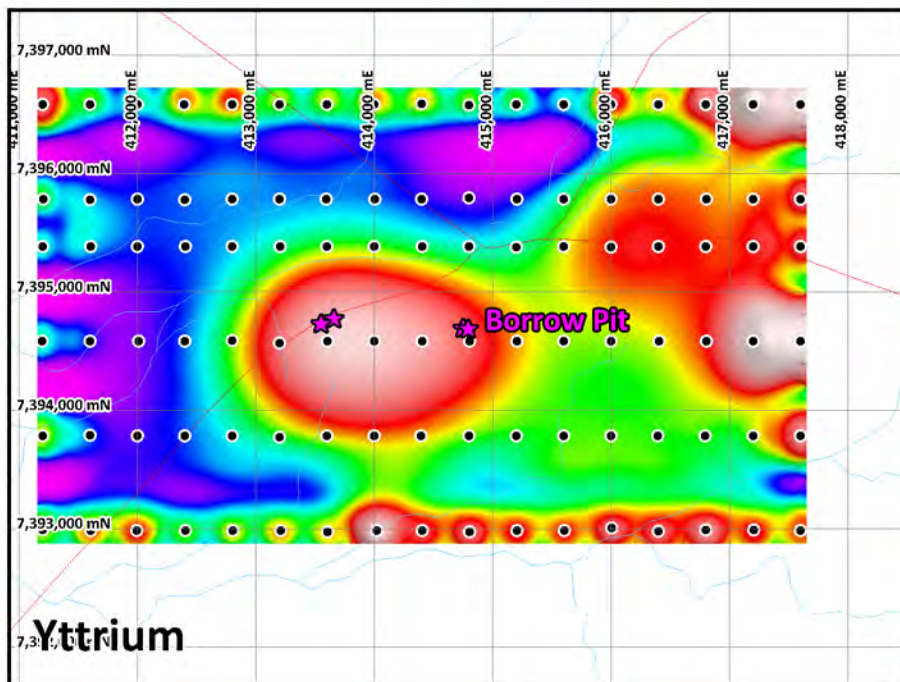
"The information in this report that relates to Mineral resources and Exploration Results is based on information compiled by Mr Andrew J Vigar who is a Fellow of The Australasian Institute of Mining and Metallurgy and is employed by Mining Associates Limited, Hong Kong and is a non-executive director of Krucible Metals Ltd. 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".

Results are from ALS Global using REE method ME-MS61r. Phosphate results are calculated using the conversion factor 2.291. yttrium oxide results are calculated using the conversion factor 1.27 and cerium oxide calculated using conversion factor 1.22

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.



Valroy EPM25126 - Lag Sampling Rare Earth ALS Results with Anomalous Rock Chips (pink)

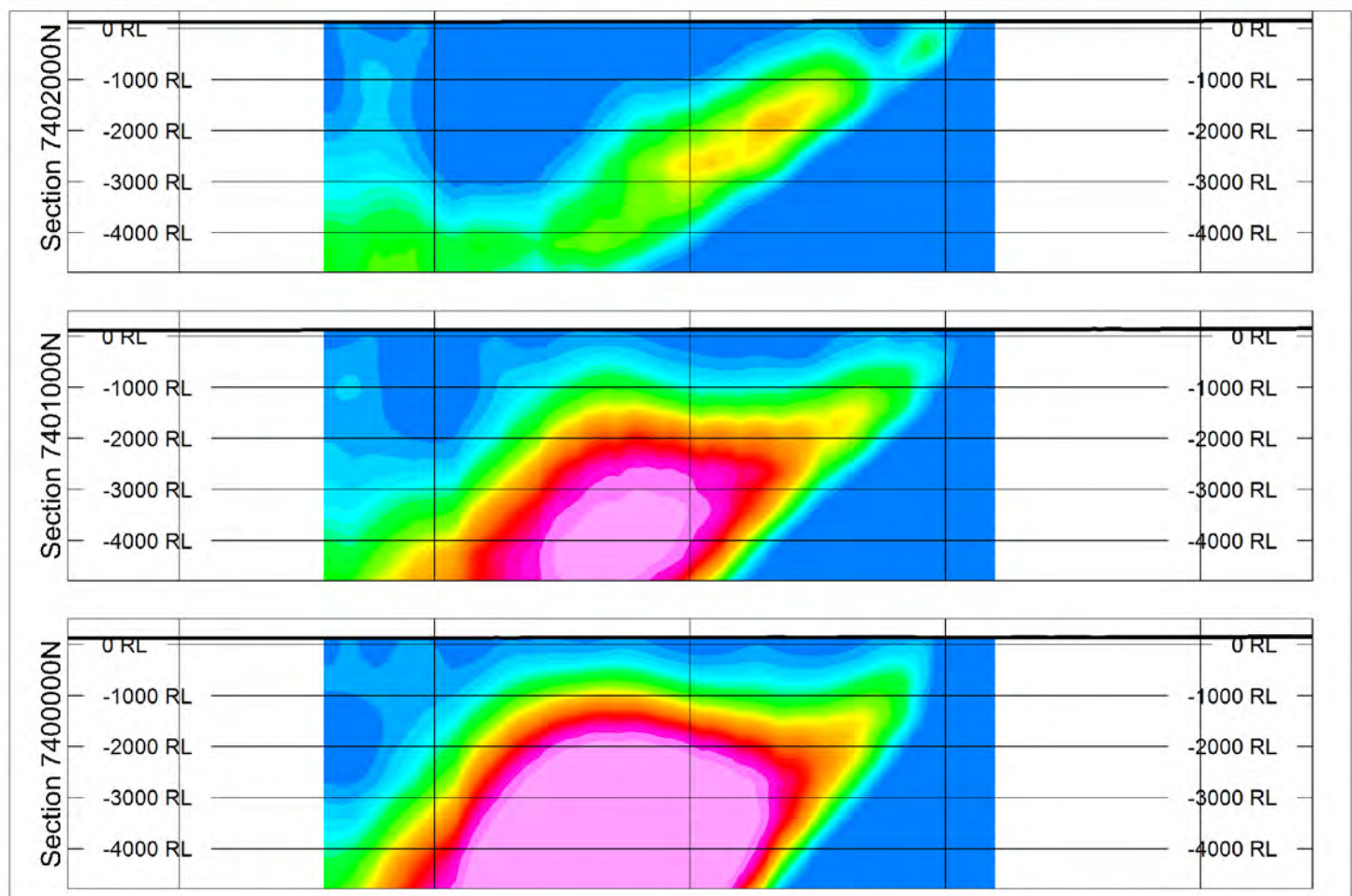
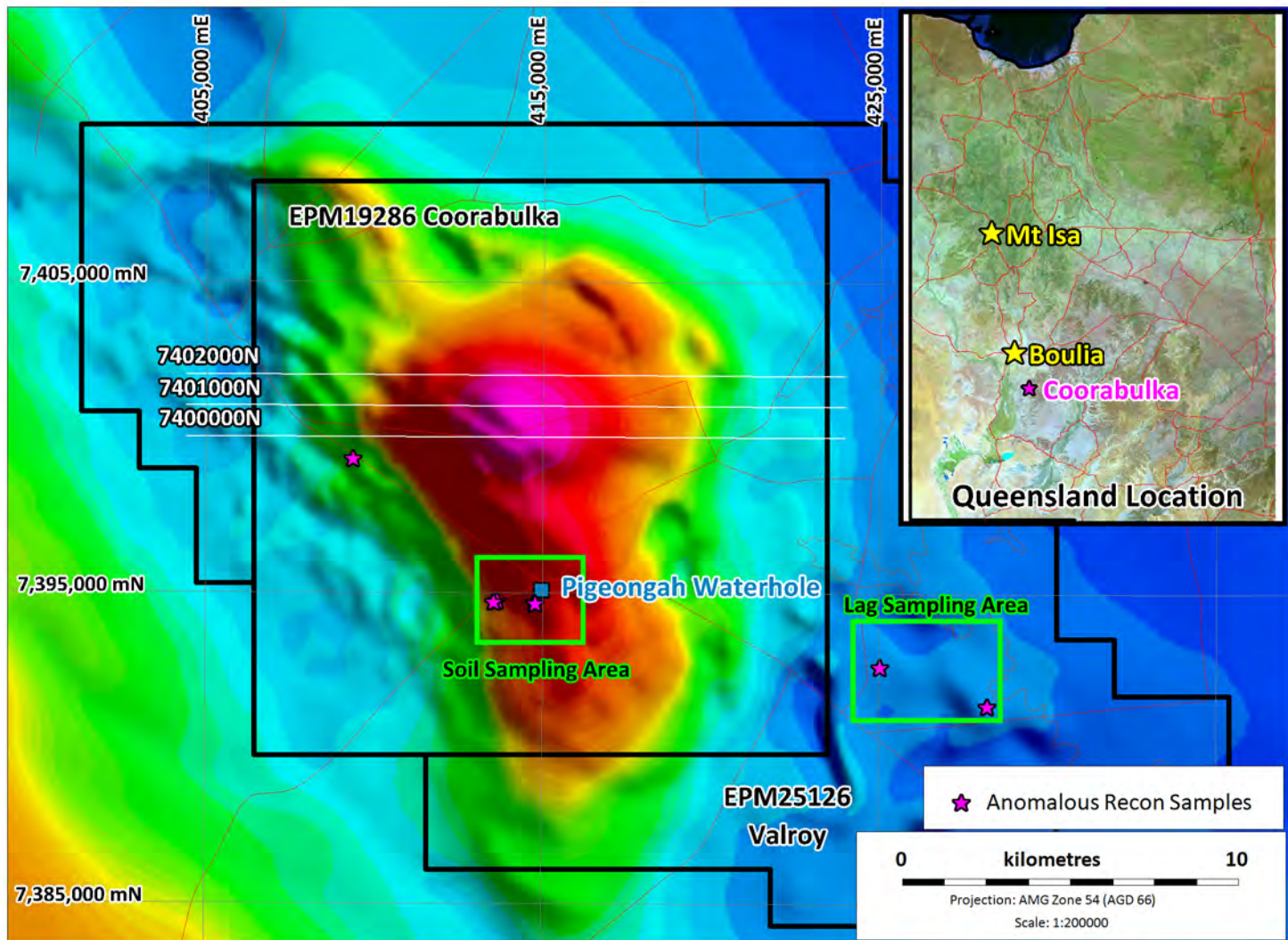


Coorabulka EPM19286 - Soil Sampling ALS Rare Earth Results with Anomalous Rock Chips (pink)

N.B. Red/white is high ppm, and blue is lower ppm assay result

BH.2014.200_COOSOALSResults_ASX29072014.wor

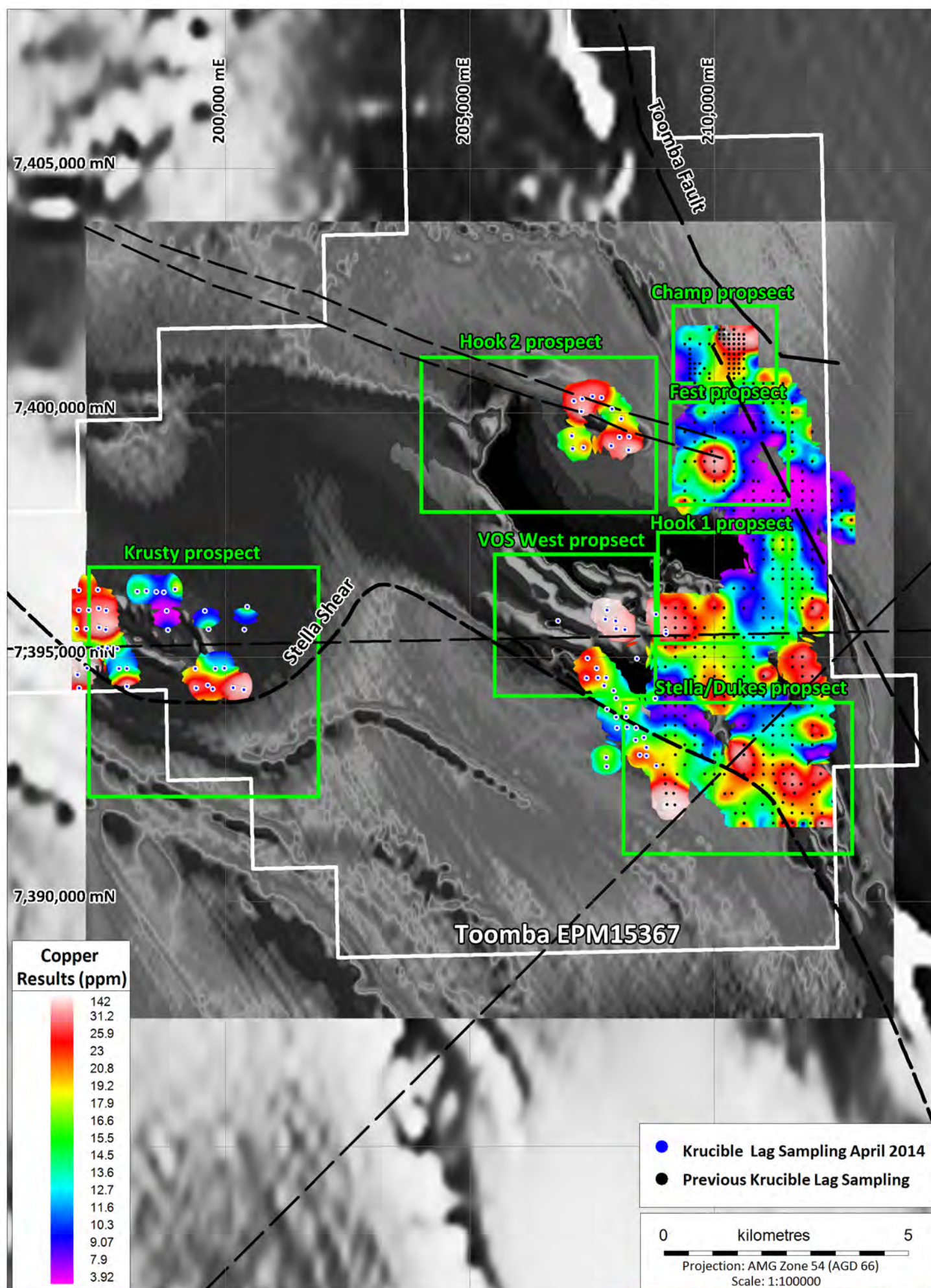
FIGURE 3



BH.2011.161_CoorAreaMagandEWSect_ASX28072014.wor

Boulia South Tenements - TMI Regional Magnetics (Top) and Preliminary E-W Sections of 3D Magnetic Modelling (Bottom)

FIGURE 4



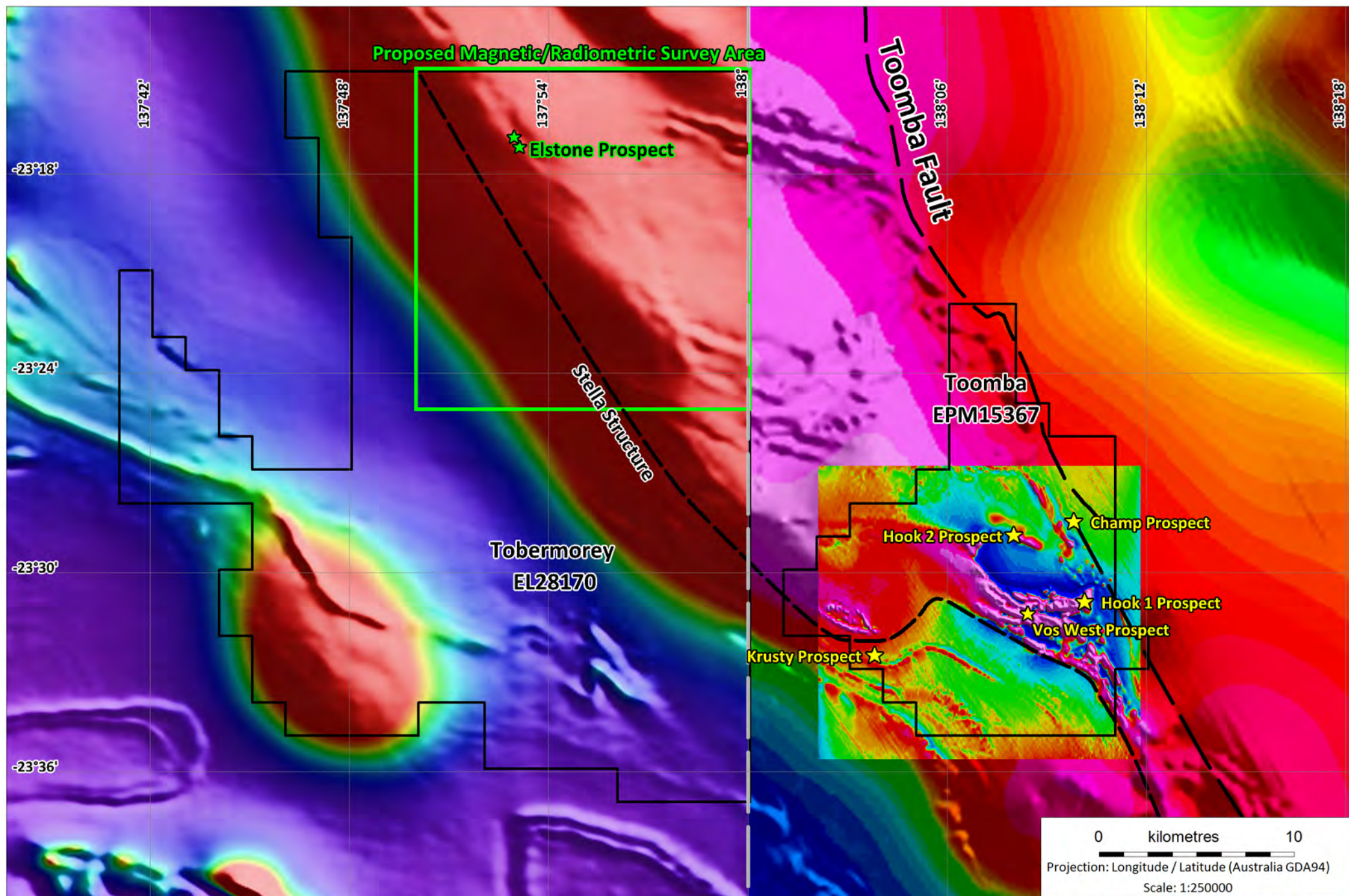
Toomba EPM15367 - RTP1VD Magnetics

with Copper Lag Sampling Results and Prospect Locations (green)

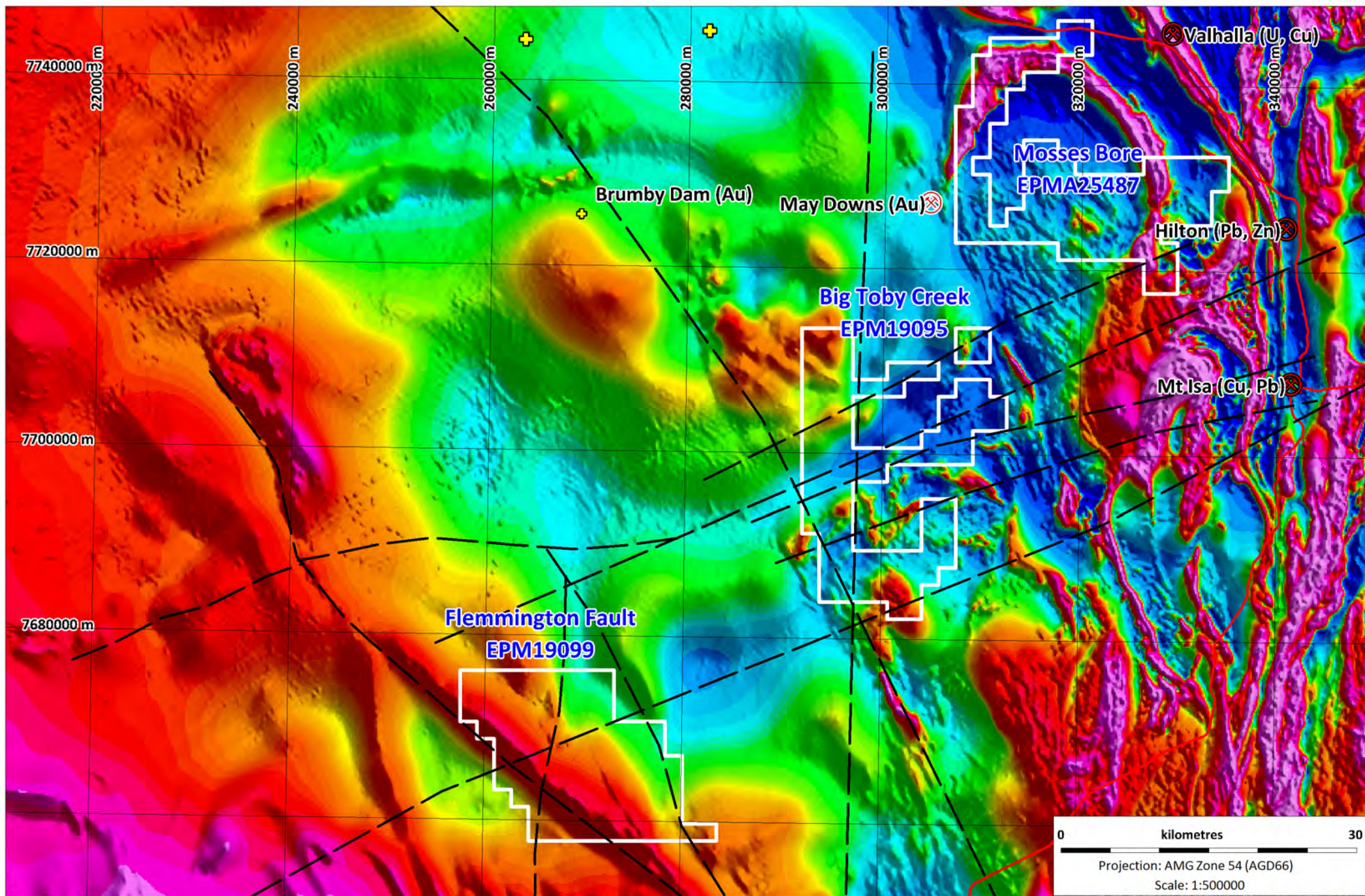
n.b. red/white are anomalous colours and blue/purple are low result colours

BH.2010.66_CuToombaLagResults_29052014.wor

FIGURE 5



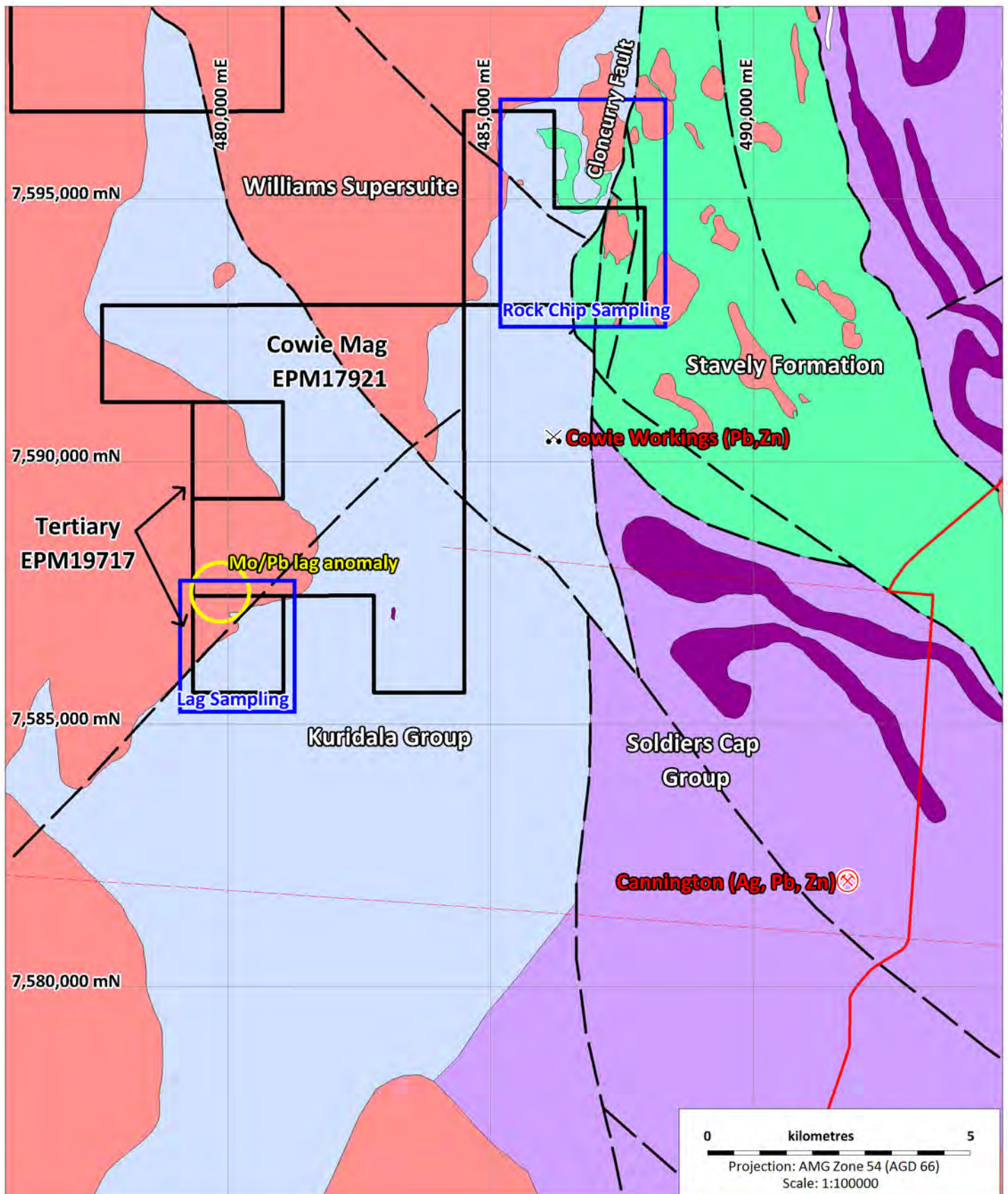
**Diamantina TMI Government Magnetics Showing
Toomba Drill Area's (yellow) and Anomalous Tobermorey Rock Chips (green)**



BH.2011.112.IsaWestMag_A5X30072014

Isa West Tenements - Government RTP Magnetics with Mineralisation

FIGURE 7



BH.2011.127_CowieAreaGeol_29072014.wor

**Cannington Region - Government Solid Geology
with Structures (black) Showing Prospect Areas**

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Krucible Metals Ltd

ABN

12 118 788 846

Quarter ended ("current quarter")

30 June 2014

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (12 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(124)	(681)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(246)	(858)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	50	138
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Other- asset sale transaction costs	-	(291)
	Other- receipt- reimbursement of tenement holding costs	-	224
Net Operating Cash Flows		(320)	(1,468)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a) prospects	-	-
	(b) equity investments	-	-
	(c) other fixed assets	(519)	(619)
1.9	Proceeds from sale of: (a) prospects	96	12,371
	(b) equity investments	-	-
	(c) other fixed assets	-	6
1.10	Loans to other entities	-	-
1.11	Loans repaid by other entities	-	-
1.12	Other- tenement security deposits	3	28
	Funds placed on term deposit (>3 mths)	(5,115)	(5,115)
Net investing cash flows		(5,535)	6,671
1.13	Total operating and investing cash flows (carried forward)	(5,855)	5,203

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,855)	5,203
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	2	2
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (lease finance)	89	89
1.17	Repayment of borrowings (lease repayments)	(2)	(2)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	89	89
	Net increase (decrease) in cash held	(5,766)	5,292
1.20	Cash at beginning of quarter/year to date	11,581	523
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	5,815	5,815

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

	Current quarter \$A'000
1.23 Aggregate amount of payments to the parties included in item 1.2	113
1.24 Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included in Operating and Investing Cash Flows were the following items:

1. Transaction costs associated with the sale of the Group's phosphate assets totalling \$291k.
2. The final phosphate sale proceeds for the quarter totalling \$96k relate to refund of GST from Australia New Agribusiness & Chemical Group Ltd (total proceeds were \$12,371k). In addition Australia New Agribusiness & Chemical Group Ltd reimbursed tenement holding costs incurred by the company totalling \$224k in the prior quarter.
3. Amounts paid to directors include salaries, bonuses, directors' fees, superannuation and consulting fees totalling \$113k.
4. Payments for purchase of fixed assets of \$519k during the quarter relate to the purchase of land & buildings (including stamp duty).

Included in Financing Cash Flows were the following items:

1. Proceeds of \$89k were received during the quarter from refinancing the purchase of two motor vehicles.
2. Proceeds from the conversion of listed options on issue totalled \$2k during the quarter

+ See chapter 19 for defined terms.

Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,204
4.2 Development	-
4.3 Production	-
4.4 Administration (incl asset sale transaction costs)	349
Total	1,553

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	428	104
5.2 Deposits at call	5,387	11,477
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	5,815	11,581

+ See chapter 19 for defined terms.

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	EPM 15831 EPM 19028	Exploration Permit Exploration Permit	100% 100%
6.2	Interests in mining tenements acquired or increased	-	-	-

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities (description)	-	-	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	80,409,887	80,409,887	Various Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	39,192 -	39,192 -	0.05 -
7.5	+Convertible debt securities (description)	-	-	

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	270,000	-	<i>Exercise price</i> 24 cents	<i>Expiry date</i> 12/08/2014
		300,000	-	15 cents	28/02/2015
		1,000,000	-	15 cents	08/05/2015
		1,500,000	-	11.96 cents	28/11/2015
		19,116,040	19,116,040	5 cents	23/01/16
7.8	Issued during quarter				
7.9	Exercised during quarter	39,192	39,192	5 cents	
7.10	Expired during quarter	-	-		
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:Date: 30 July 2014
(Company Secretary)

Print name: M C Meintjes

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash

+ See chapter 19 for defined terms.

position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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+ See chapter 19 for defined terms.