



ASX

Announcement

5th September 2014



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.

Toomba Drilling For Copper



The directors of Krucible Metals Ltd (Krucible) are pleased to announce drilling is about to commence on Krucible's 100% owned Toomba EPM15367.



This program will consist of approximately 2,500m and will test the deeper extents of the Champ prospect as well as a number of untested targets within the Toomba EPM. The drilling is in a remote and logistically challenging location on the edge of the Simpson Desert and is the result of extensive planning. A call for drilling quotes ended on the 28th of July 2014 with numerous responses. The successful company was chosen based on the suitability of the rig for the environment as well as competitive pricing.



Copper in Champ drill hole 09TMRC-29



MLM Drilling, the successful Company are based in Perth (WA) and have been contracted to carry out 2500m of RC drilling at numerous strategically selected locations within the EPM.



Results of this program are expected by early November 2014. Based on previous drilling by Krucible on this EPM results are expected to indicate further anomalous copper and base metal mineralisation.







The second sampling program of the phytogeochemical spinifex project was completed by HDR|Salva on Krucible's Toomba EPM in July 2014. The Queensland Government is expected to release the results in October 2014.



Toomba EPM15367 is located about 350km south-southwest of Mt Isa in the Diamantina region of western Queensland on the edge of the Simpson Desert (Figure 1). The area was targeted for exploration because of the presence of large scale structures in a region where large expanses of shallow Proterozoic basement had not previously been explored for mineral deposits. The primary target is an IOCG deposits such as Tropicana (WA) and Olympic Dam (SA) related to magnetic and/or major structural features.

Previously (ASX announcement 25 November 2009) Krucible completed a total of 54 aircore and RC drill holes for a total of 2808m on the Toomba EPM15367. This covered the Stella and Champ prospects. Of the 32 holes drilled on the Champ prospect, 11 intersected anomalous copper ($>0.1\%Cu$) with the deepest intersection at 64m from surface. The mineralisation appears to occur mainly as secondary malachite and chrysocolla minerals but sulphides in the form of chalcopryite and chalcocite have also been observed. The mineralisation is usually associated with hematite/sericite/quartz alteration near the contact of steeply dipping siltstone and sandstones with granitic dykes nearby.

The best drilling intersections (see ASX announcement 20th October 2010) including:

	09MTRC-29	27m @ 0.40% copper from 9m (includes 3m @ 2.4% copper)
	09MTRC-34	3m @ 0.12% lead from 23m and 3m @ 0.16% zinc from 32m
	09MTRC-44	2m @ 1.23% copper from 62m
	09MTRC-45	9m @ 0.43 % copper from 36m

Since the drilling Krucible has completed an extensive study into the geophysical properties of the prospect and possible extensions of the zone (ASX Announcements 9 April 2014). Terra Search completed a study of a detailed magnetic and radiometric survey completed in 2010 (ASX Announcements June 2010 and September 2010 Quarterly Activity Statements 20 July 2010 and 25 October 2010). This resulted in a re-interpretation of the Toomba fault zone indicating a listric fault system with possible multiple stacked shear zones over a large area (Figure 2).

Regional surface sampling has also been completed since the last drilling program with a number of copper and base metal anomalies identified (ASX Announcements, 29 May 2014) (Figure 3).

The exploration completed to date on the EPM is very encouraging given the lack of previous exploration and that no other copper occurrence is known in a 200km radius of the drilling.

An RC drilling program is due to commence on the 9th of September and is targeting geophysical and geochemical anomalies identified from surface and geophysical exploration. Testing of the deeper extents of the Champ prospect copper enrichment is also included in the drilling program. The program is expected to include 15-20 RC holes each approximately 150m deep for a total of 2500m.

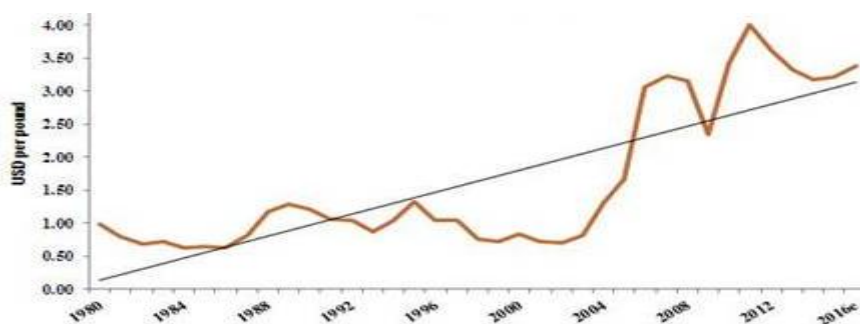
Krucible has previously been a successful applicant for a collaborative drilling grant under the Queensland Government's Future Resources Program to assist with drilling at Toomba, but which has not been extended. In the Round 8 submissions Krucible has again been successful with a grant for its Kamaran Downs EPM15389 greenfield tenement. The results of the current Diamantina program which includes Toomba are continuing without government assistance and are still expected to show further anomalous copper and base metal mineralisation at the numerous prospects to be tested. Results will be released when they are received which is hoped will be in November 2014.



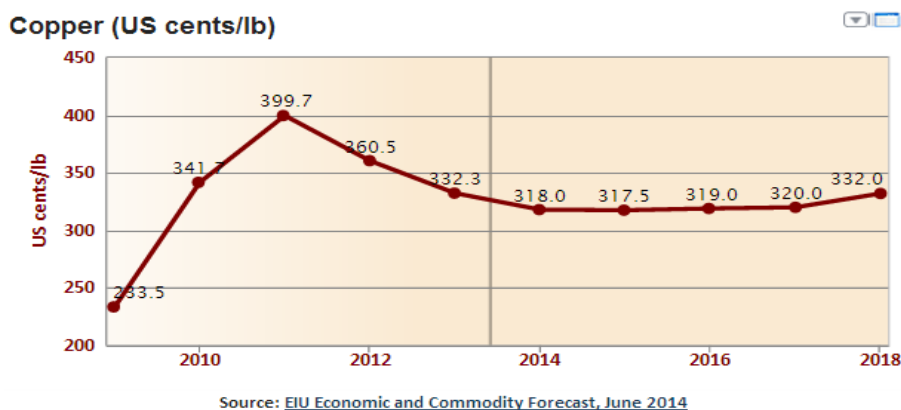
Toomba (along with Squirrel Hills EPM15354, Toolebuc EPM19027 Lukes Plot EPM17613 and Tobermorey EL28170) is emerging as an important tenement for Krucible's current exploration focus on base metals, precious metals and strategic metals. Copper prices worldwide have been affected by the global financial crisis (GFC) like most commodities from approximately 2006 to 2012, but the trend curve in Graph 1 shows it appears to have returned to its pre GFC levels and predictions are that this return to normal growth will continue. A longer term forecast in Graph 2 suggests that the future for copper is assured.

Interestingly BHP Billiton stated on 14 August 2014 that it has a focus on copper:

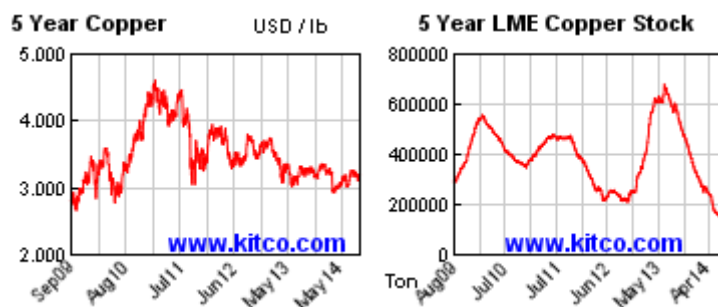
"We believe that a portfolio focused on our major iron ore, copper, coal and petroleum assets would retain the benefits of diversification, generate stronger growth in cash flow and a superior return on investment." (Source: Melanie Timbrell, CBA 15 August 2014)



Graph 1: Multi-Year Global Copper Market Outlook (kitco June 19, 2014)



Graph 2: IEU Economic and Commodity Forecasts (The Economist June 2014)



Graph 3: Reasonably Stable Copper Prices Over the Last Five Years While Stocks of Copper are at an Historical Low (Kitco August 2014).



The price of copper over the last 5 years has been reasonably stable as seen above in Graph 3 at left and at right the current stocks are seen to be at a historical low.

Krucible is also participating in a phytogeochemical sampling program under the Industry Priorities Initiative by the Queensland Government. The second phase of this sampling was completed in July 2014 by HDR|Salva. The results are expected to be released by the Queensland Government in October 2014. This biogeochemical methodology is expected to eventually contribute to early-stage subsurface investigations in this type of difficult terrain without the cost or risk of drilling.

Attached: Figures 1-3

Further Information:

Allan Branch

Managing Director & CEO

Krucible Metals Ltd.

WEB SITE: www.kruciblemetals.com.au



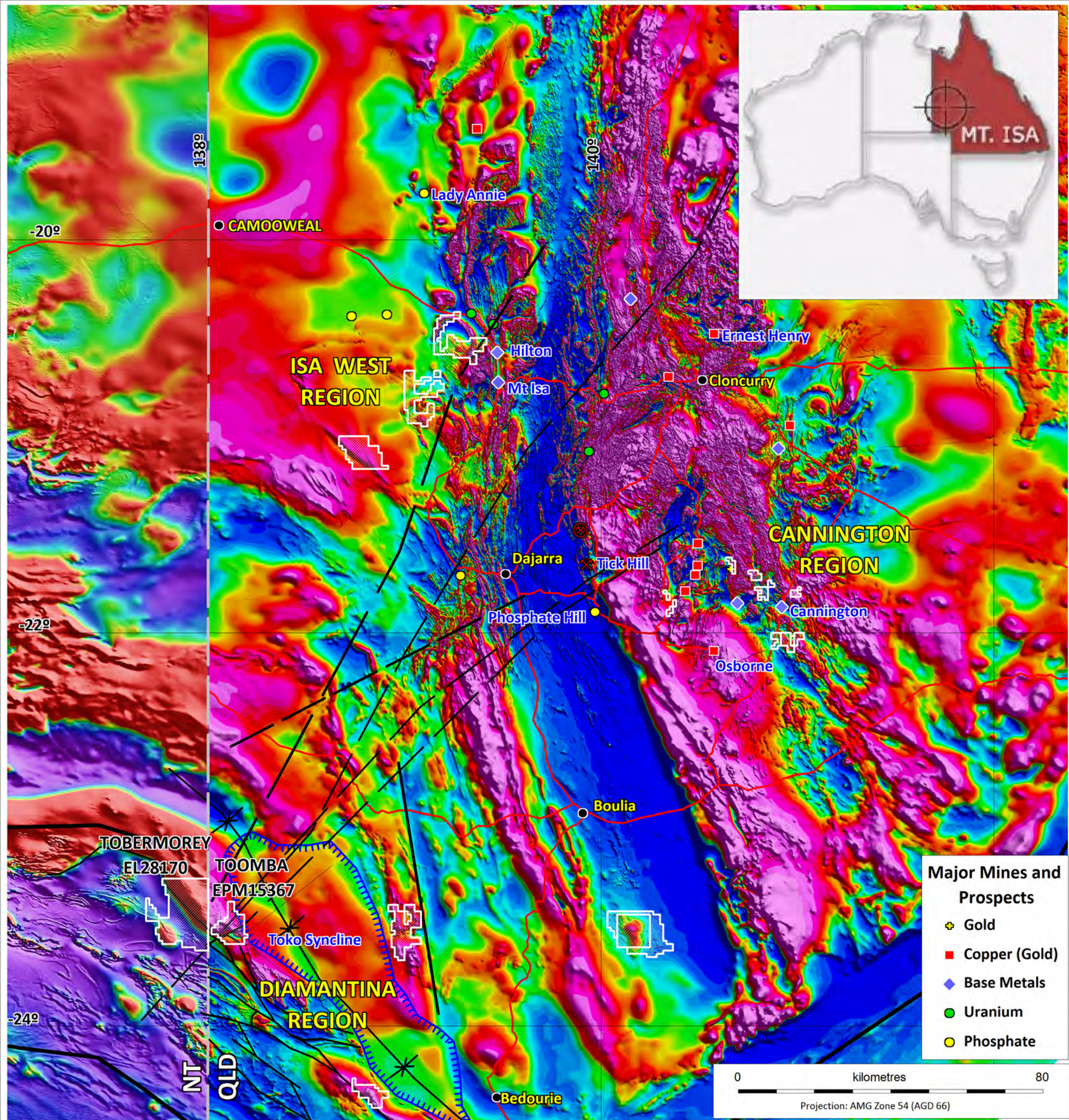
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COMPETENT PERSON STATEMENT

"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".

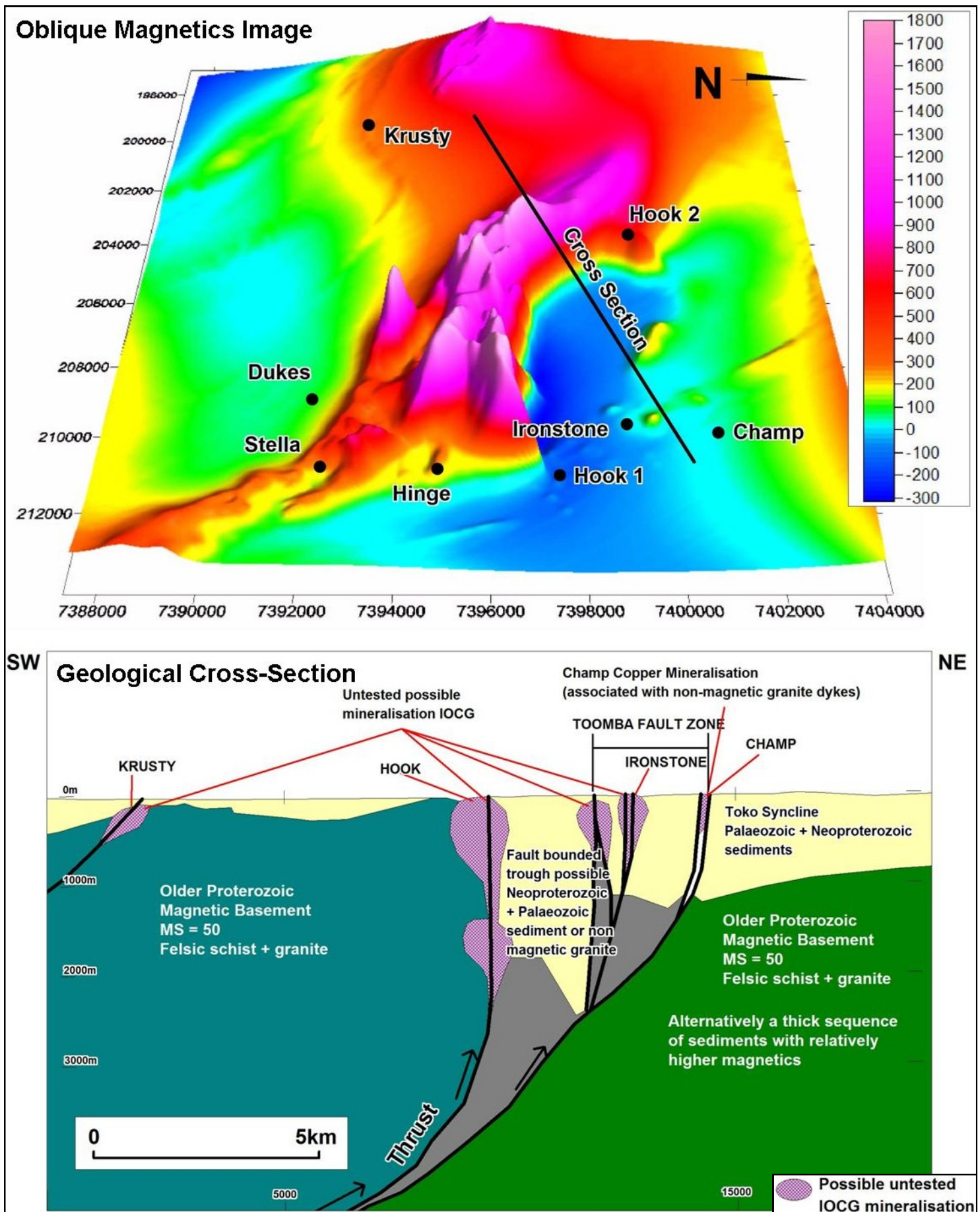
This report may contain forward-looking statements. Any forward-looking statements reflect management's current beliefs based on information currently available to management and are based on what management believes to be reasonable assumptions. A number of factors could cause actual results, or expectations to differ materially from the results expressed or implied in the forward looking statements.



Tenement Locations on Regional Government Magnetics with Structures (black)

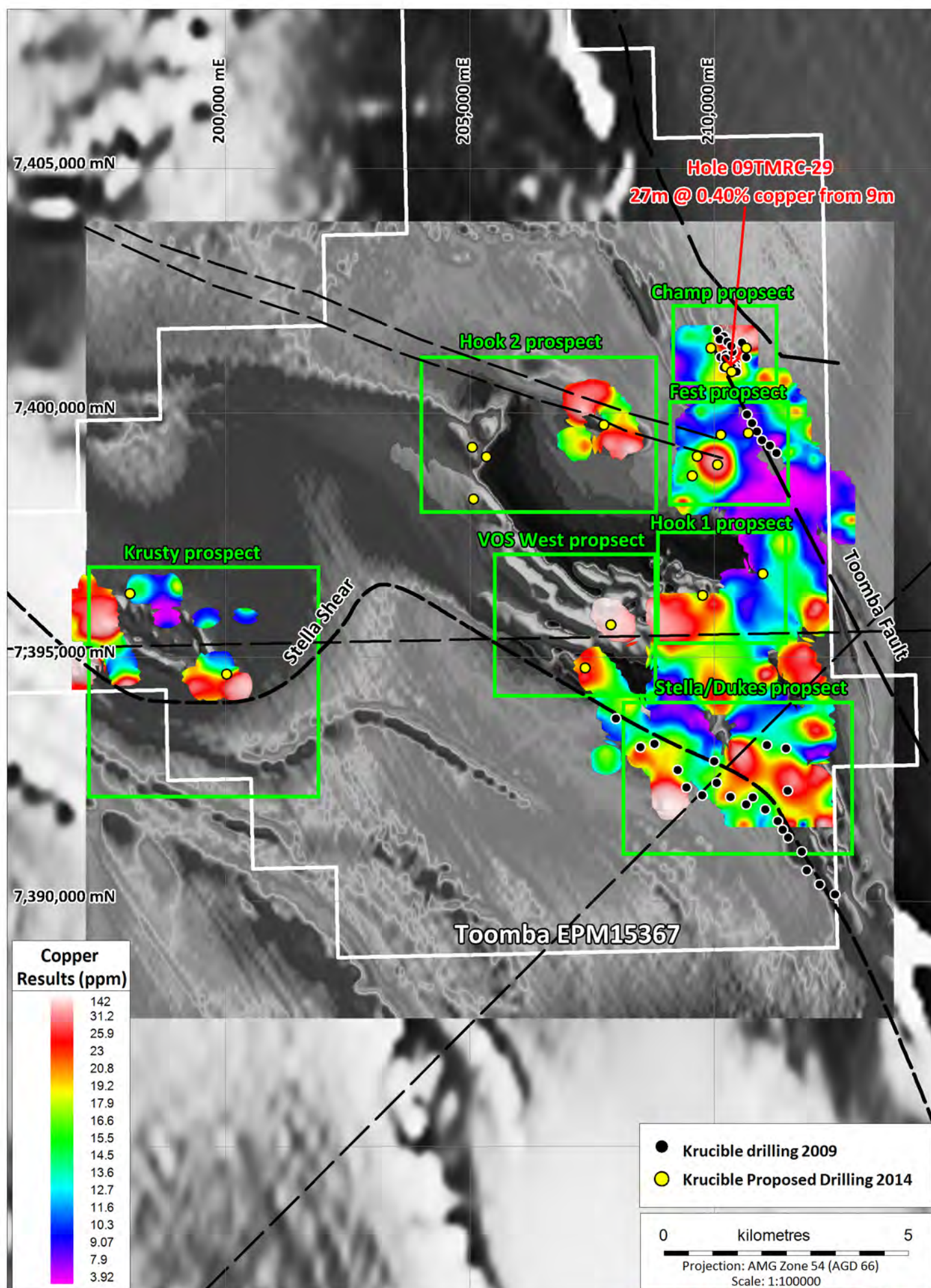
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FIGURE 1



Toomba magnetic anomaly oblique view (top)
Toomba / Champ schematic geological cross section showing drill targets (bottom)

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

BH.2010.66_CuToombaLagResults_01092014.wor

FIGURE 3