



QUARTERLY ACTIVITIES REPORT – MARCH 2009

29th APRIL 2009

HIGHLIGHTS / EXPLORATION

- Further surface sampling in the frontier Diamantina region of NW Queensland has identified Copper, Gold and Bismuth mineralisation in Proterozoic basement outcrop / sub crop between sand dunes of the unexplored Simpson Desert.

Rock Chip Sampling has returned up to 1.6g/t Gold, 2.77% Copper and 0.32% Bismuth

from the Champ Prospect on the Toomba EPM 15367 which is located about 320km SSW of Mount Isa in Queensland.

Initial drill testing is expected to commence in June 2009. The targets are IOCG (Iron Oxide Copper Gold) mineralisation similar to Olympic Dam and / or Tennant Creek.

- Drilling has already commenced on the Company's Corella Bore EPM 15572 located near the Incitec Pivot owned Phosphate Hill Mine, located about 150km SSE of Mount Isa in Queensland. The objective is to define relative high grade phosphate (+25% P₂O₅), with low iron and aluminium content, at the PHM South and D10 Prospects. Phosphate enrichment zones have already been defined on these areas by Krucible in 2008.

The Project economics will be enhanced by the existence of nearby infrastructure such as railway lines and sealed roads, should Direct Shipping Ore (DSO) grades be defined by Krucible as a JORC Compliant Inferred Resource.

- Drilling will be carried out at the Panther Prospect on the Merlin Tank EPM 15811 during May 2009 to test a strong magnetic anomaly which is located about 20km SW of Ivanhoe's Merlin Molybdenum / Rhenium recent discovery.

Anomalous Rhenium (up to 10 metres @ 0.15g/t Rhenium) has been intersected at the Nermal Prospect from wide spaced drilling carried out in 2008. Further investigation is planned at Nermal which is located about 10km north of Panther.



- 🔥 Encouraging surface results have been returned from the Cowie Mag EPM Application 17921 located about 15km NW of the BHP-Billiton owned Cannington Silver Mine. Up to 1480ppm Copper and 1220ppm Zinc was returned from this sampling in a poorly outcropping area which is considered to be very prospective for both IOCG mineralisation and Broken Hill / Cannington basemetal mineralisation.

CORPORATE

- 🔥 Krucible held cash resources of \$3,832,000 at the end of the quarter
- 🔥 The directors of Krucible currently hold 14.16% of KRB fully paid issued shares (7,497,100)
- 🔥 The top 20 shareholders currently hold approximately 60% of KRB fully paid issued shares
- 🔥 Krucible remains committed to exploration and the discovery of economic mineral deposits
- 🔥 After a revision of the tenement package in December 2008 the Company's ground coverage has been reduced from 11,900sq. kms to 5,535sq. kms.



PROJECT ACTIVITIES REPORT

1. PHOSPHATE EXPLORATION

CORELLA BORE EPM 15572 / PHOSPHATE SOUTH EPM 17844 / PILGRIM EPM 15072

As reported in the previous Quarterly Report (27th January 2009) Krucible has been carrying out ongoing research into the development of phosphate rich zones at Corella Bore with the assistance of consultants from GHD Engineering Ltd. Corella Bore is located about 130km SE of Mount Isa in NW Queensland and is close to the Phosphate Hill Mine (PHM) owned and operated by Incitec Pivot Ltd. (See Figures 1 and 2).

As a result of this work drill programs have been designed for PHM South (located about 5km south of PHM) and D10 (located about 10km north of PHM).

The Project Model is to define high grade phosphate zones (+ 25% P₂O₅) that may be suitable as DIRECT SHIPPING ORE (DSO) without the necessity of a relatively high capitalisation beneficiation plant.

At PHM South a combined diamond drilling and RC percussion drilling program is designed to test 1.2km strike length on a drill pattern of 200 x 100 metres. Previous drilling in this area was at 400 x 400 metres spacing and returned intercepts up to **9 metres at 31.3% P₂O₅** (from hole 08CBRC46).

The objective of this program is to define a JORC compliant Inferred Resource of relatively high grade phosphate over the 1.2km strike length. The total strike length at PHM South over which phosphate has been intersected by Krucible to date is about 3.5km.

Some RC percussion drilling will be carried out on the strike extension to the above 1.2km long zone to confirm phosphate zones that were intersected in previous wide spaced drilling (800 x 400 metres) where up to **6 metres at 23.9% P₂O₅** (from hole 08CBRC35) was intersected.

Diamond drilling will also be carried out at PHM South, close to previous RC percussion holes which reported excellent phosphate intercepts from the 2008 program. This diamond drilling will test the continuity / variability of the high grade zones over short lateral distances (20 -50 metres) as well better defining the geological boundaries for phosphate enrichment and providing samples for metallurgical test work.

Drilling at PHM South has commenced and is expected to be completed in early May 2009.



At **D10** where no drilling has previously been carried out, Krucible plans to drill test a number of phosphate zones that were outlined from hand trenching and rock chip sampling in 2008. Up to **15 metres @ 22.15% P₂O₅** was returned from this sampling with numerous **one metre samples of plus 25% P₂O₅** over a 1.5km strike length.

The drilling will also test the strike extension of this zone to the north in the Pilgrim Joint Venture with Deep Yellow Ltd on EPM 15072. Drilling is expected to commence in early May 2009.

Results of sampling to date at both PHM South and D10 have indicated low levels of **Iron and Aluminium** in high grade phosphate making it amenable to fertiliser plant treatment.

Should DSO phosphate be outlined at Corella Bore the proximity to **infrastructure** such as the Government owned railway line will be an advantage for Project Development.

2. COPPER GOLD EXPLORATION

2.1 DIAMANTINA - TOOMBA EPM 15367 & KAMARAN DOWNS EPM 15389

During the Quarter Krucible carried out a helicopter supported follow up program at **Toomba** in the Diamantina, to investigate anomalous Gold, Copper and Bismuth returned from first pass sampling in 2008. The area is located about 320km SSW of Mount Isa (see Figures 1 and 3).

The exploration was carried out to investigate a major zone of magnetic destruction (see Figure 4) close to the Toomba Fault where Landsat imagery indicated that there may be Proterozoic basement outcrop between the sand dunes of the Simpson Desert.

This broad area has been the focus of regional attention for exploration by Krucible because of the intersection of major NNW, NE and EW structures next to the Toko Syncline which is interpreted to be a strong dilation zone at the Craton margin of the Proterozoic Mount Isa Block and the Arunta Complex. This is considered to be an ideal loci for large scale mineralising systems.

Follow up helicopter supported investigation in March 2009 revealed visible Copper mineralisation in outcrop and subcrop adjacent to prevailing sand cover. A total of 56 samples were collected (10700 to 10755) at the **Champ Prospect** and anomalous samples have been defined over an area of about 500 x 150 metres (see Figures 3 and 4 and Table1).

Up to **1.6 g/t Gold, 2.77% Copper and 0.32% Bismuth** has been returned from sampling to date in an area that is over 200km away from any known Copper / Gold occurrences.

The target for exploration is both granite related Olympic Dam style IOCG mineralisation as well as Tennant Creek IOCG (+ Bismuth) orogenic style mineralisation.



The significance of this surface frontier discovery at Toomba is yet to be ascertained but given that there has virtually been no previous exploration and that work by Krucible has defined a large area of prospective shallow basement; it is considered likely that more mineralisation with economic potential will be discovered.

Further work is planned in May-July 2009 comprising systematic geochemical sampling, drilling and geophysical surveys.

Krucible has recently been informed that it has been successful in obtaining a Government Grant of \$110,000 to assist with shallow drilling costs at Toomba.

The deep diamond drilling program planned at **Kamaran Downs** was unable to be implemented in early 2009 due to access problems in salt lakes from the recent wet season.

2.2 MERLIN TANK EPM 15811 / LUKES PLOT EPM 17613

The NE portion of the Merlin Tank EPM 15811 is located about 18km SW of the recently discovered IOCG Merlin Molybdenum / Rhenium deposit by Ivanhoe Australia Ltd. (see Figures 2 and 5).

Previous wide spaced drilling by Krucible in 2008 has intersected sulphides at the **Nermal Prospect** with up to **10 metres @ 2250ppm Zinc and 0.15ppm Rhenium** as well as sulphide alteration at the **Panther Prospect** (located about 10km south of Nermal and 10km west of Barrick's Lucky Luke Copper / Gold deposit).

During the December Quarter a ground geophysical SAM Survey (Sub-Audio Magnetics) was carried out at Panther and outlined a well defined magnetic anomaly – drill testing of this anomaly is planned for early May 2009.

Further work is also planned at Nermal to follow up the Rhenium anomalism.

2.3 COWIE MAG EPM 17921

This EPM Application is located about 15km NW of the Cannington Silver, Lead Mine owned and operated by BHP Billiton Ltd. (see Figure 6). The tenement covers the intersection of NW and EW and NE structures in an area of poor outcrop where little previous exploration has been done.

Limited reconnaissance surface sampling at Cowie by Krucible has returned a number of anomalous samples with up to **1480 ppm Copper, 1220ppm Zinc and 40ppm Molybdenum**.

The targets include IOCG mineralisation and Broken Hill / Cannington basemetal mineralisation.



3. OTHER TENEMENT EXPLORATION

Krucible continues to outline prospective areas on its other tenements but in the short to medium term will concentrate on properties with Phosphate and Gold / Copper potential.

4. TENEMENT STATUS

The Krucible tenement package has been reduced to 19 EPM's (12 granted and 7 applications) for 1,719 sub blocks (about 5,535 sq. kms).

All tenements are 100% owned by Krucible except for EPM 15072 which is a Joint Venture with Deep Yellow Ltd.

During February 2009 we have abandoned two EPM Applications (EPM 17471 DOH and EPM 17477 DOB) and applied for one new EPM 18001 Simpson Desert Border.

Attached: Figures 1 -6
Table 1

Tony Alston
Managing Director
Krucible Metals Ltd.

Further Information: Mr Tony Alston
Phone (07) 4772 5880

WEB SITE: [.kruciblemetals.com.au](http://www.kruciblemetals.com.au)

The information in this report that relates to Exploration Results is based on information compiled by Mr. Tony Alston, a full time employee of the Company who is a Member of the Australasian Institute of Mining and Metallurgy and a Member of the Australian Institute of Geoscientists. Mr. Alston 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 2004 Edition of the " Australian Code of Conduct for Reporting of Exploration results, Mineral Resources and Ore Reserves". 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.



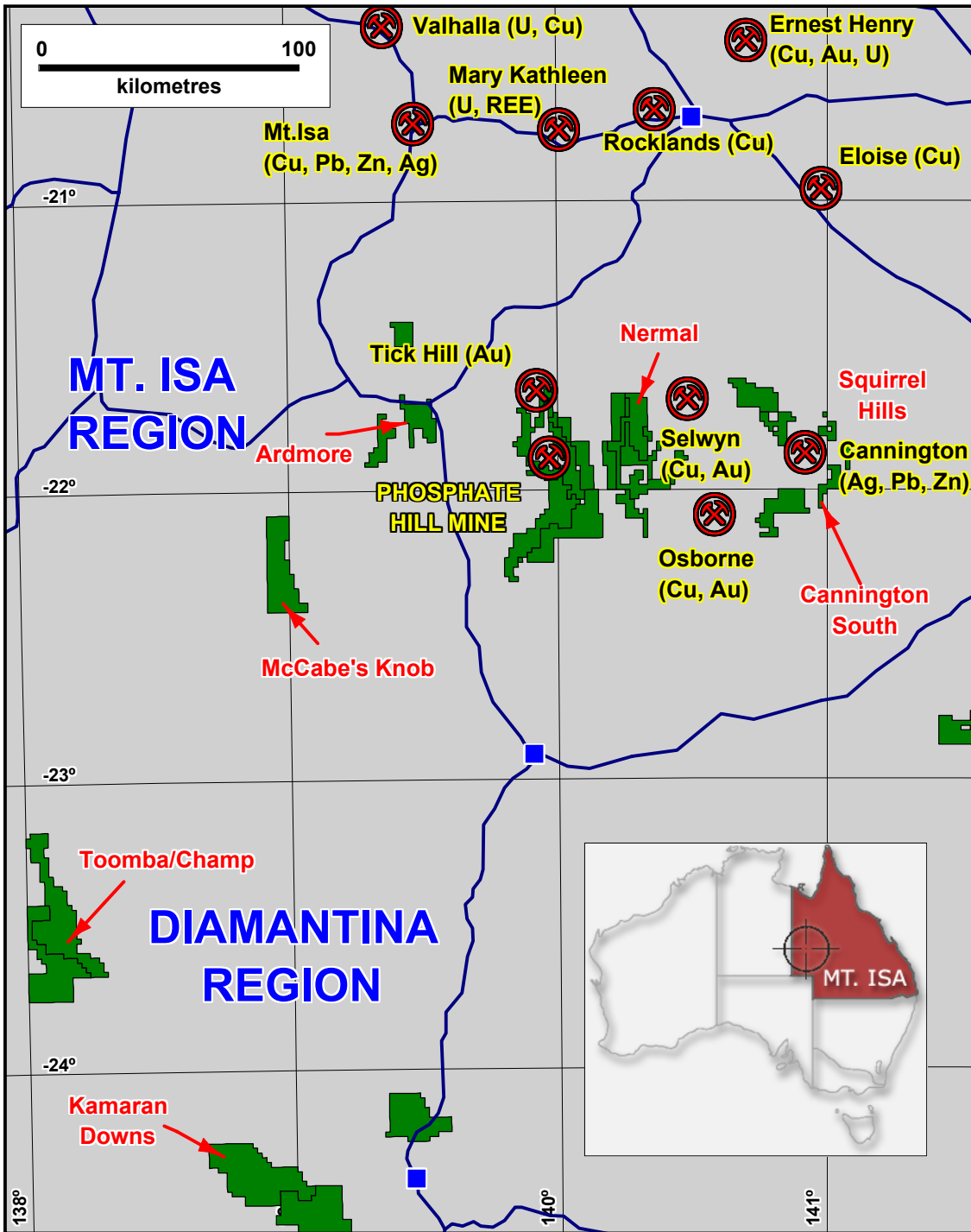
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Mineral Discovery Company

ABN 12 118 788 846

Photos showing Copper Breccia outcrop near a creek at Toomba

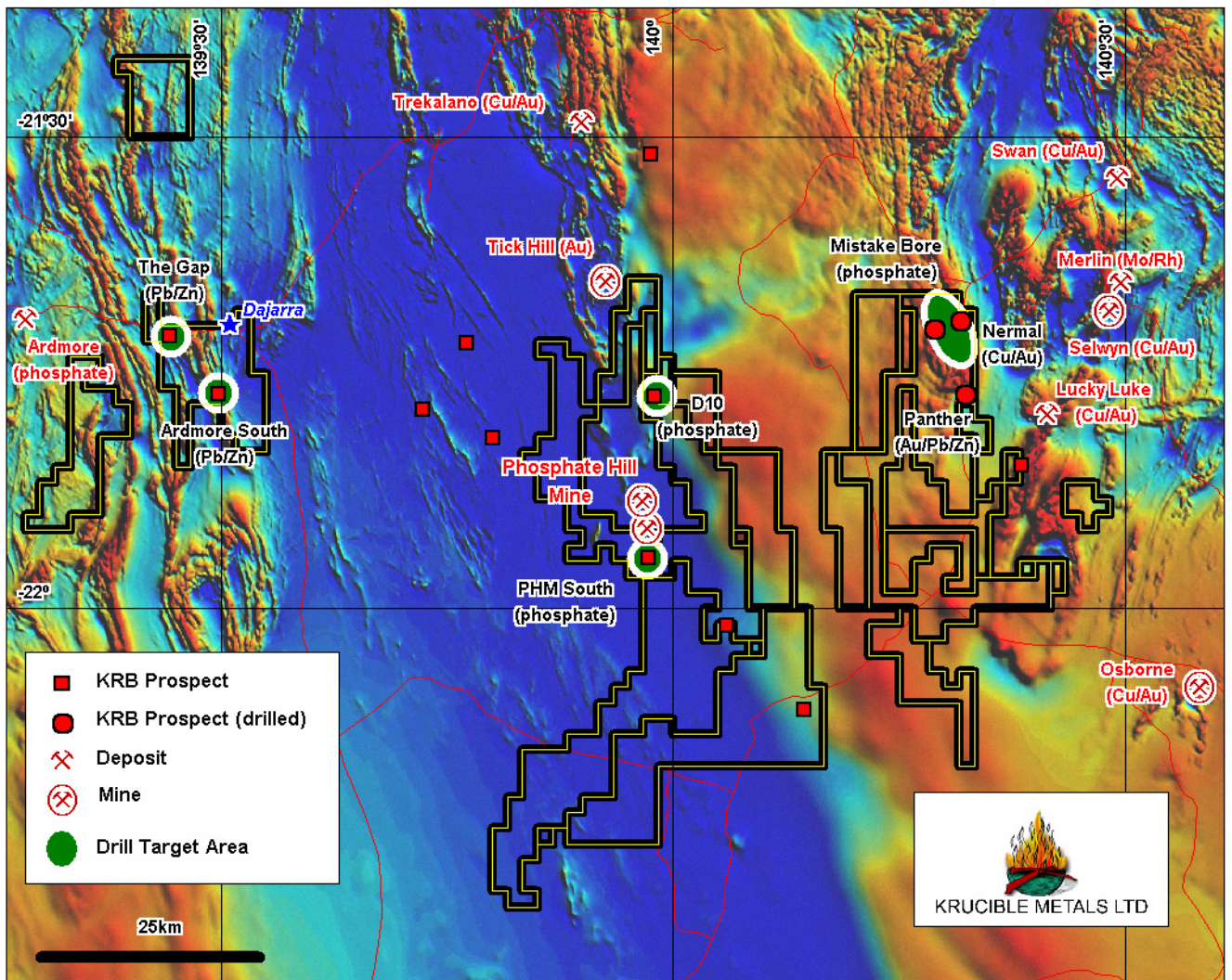




**Location Plan
Showing Krucible Tenements**



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Mount Isa South. Krucible tenements and drill target areas on airborne magnetics.

FIGURE 2

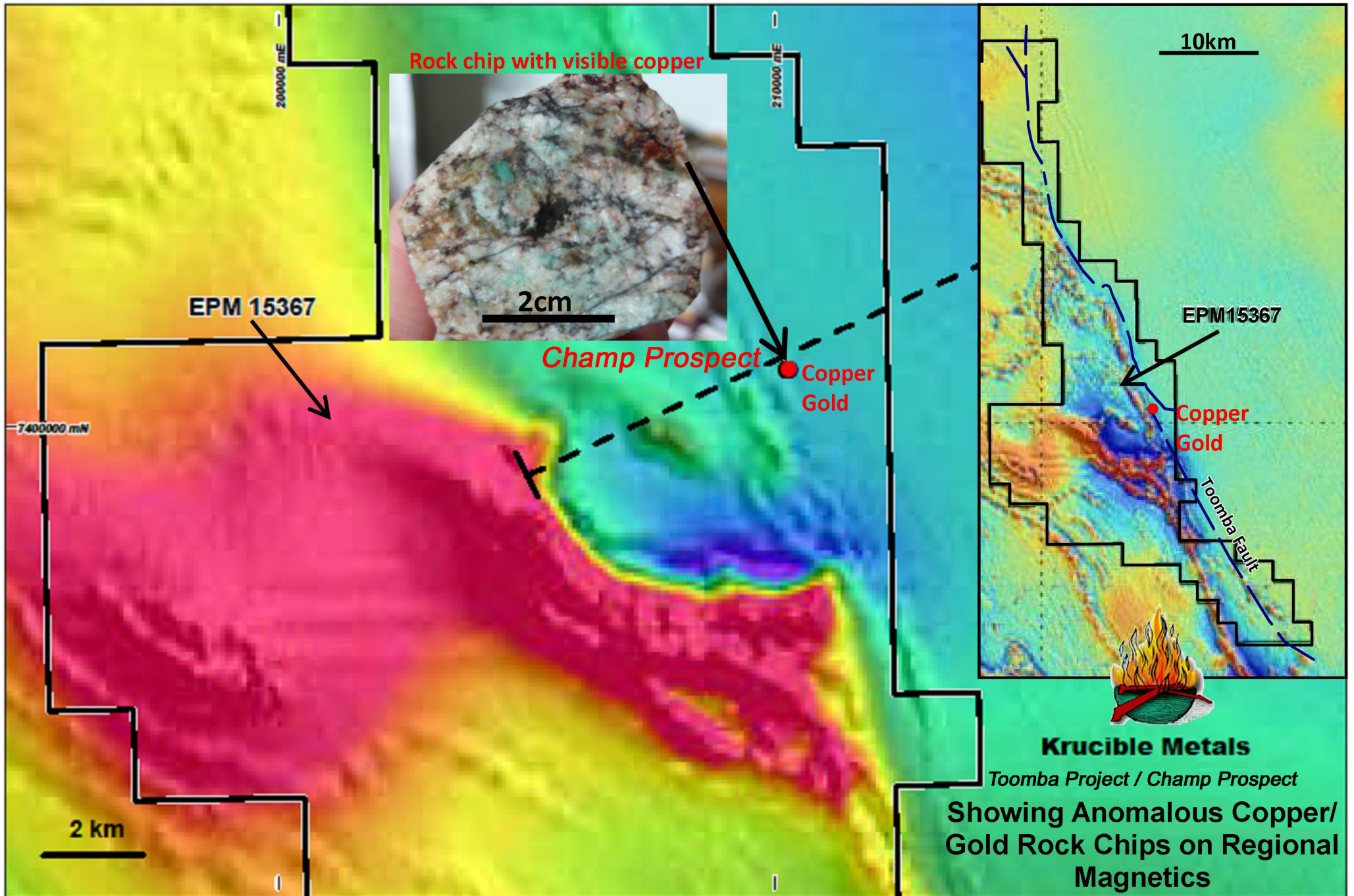
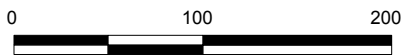
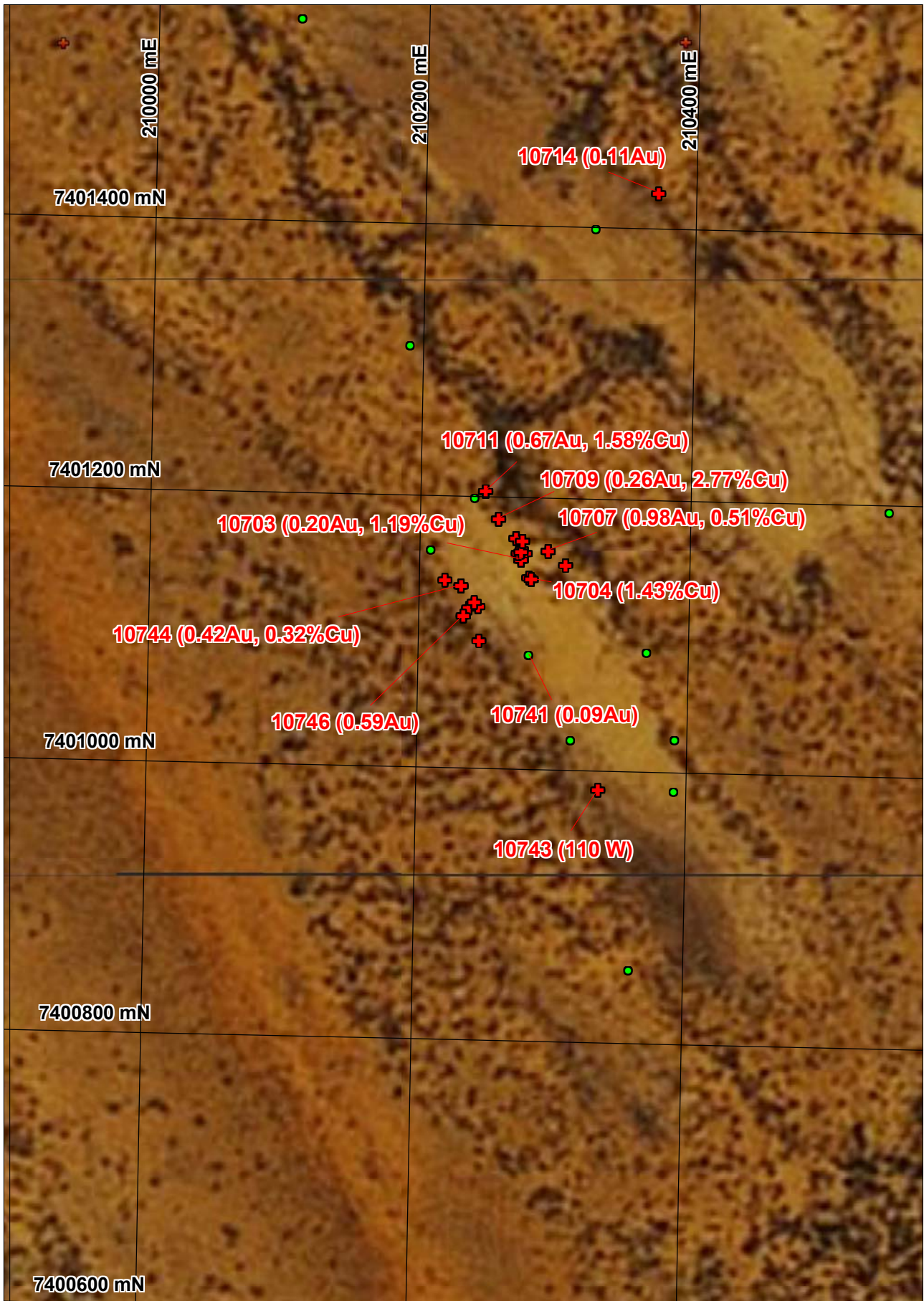


FIGURE 3



Meters
1:5,000

Datum: AMG Zone 54 (Australia AGD66)

+ Has one or more of the following results:
>0.10ppmAu, >3000ppmCu
& >50 ppmBi



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TOOMBA EPM15367 - CHAMP PROSPECT
Surface Sample Locations

March 2009

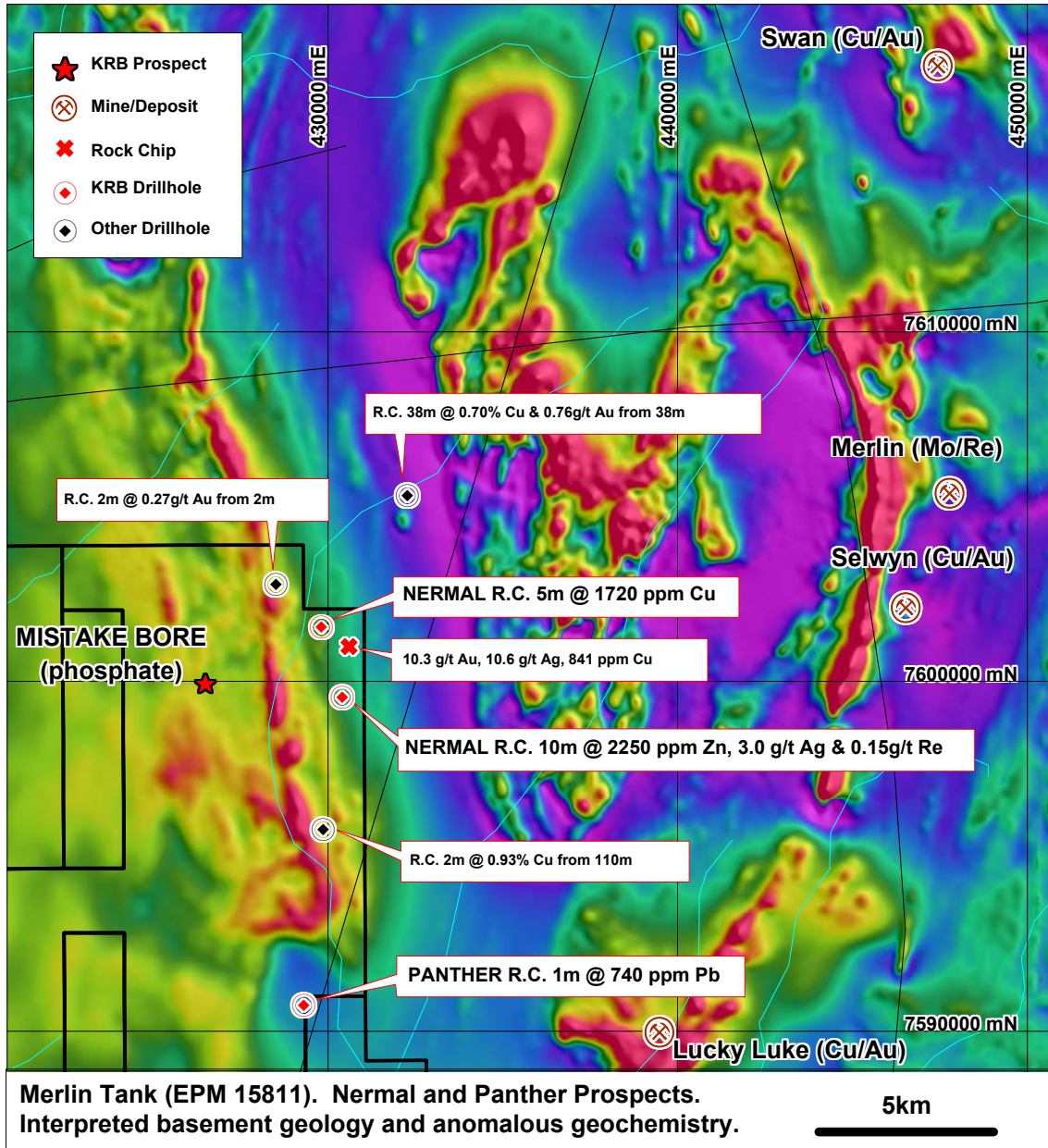
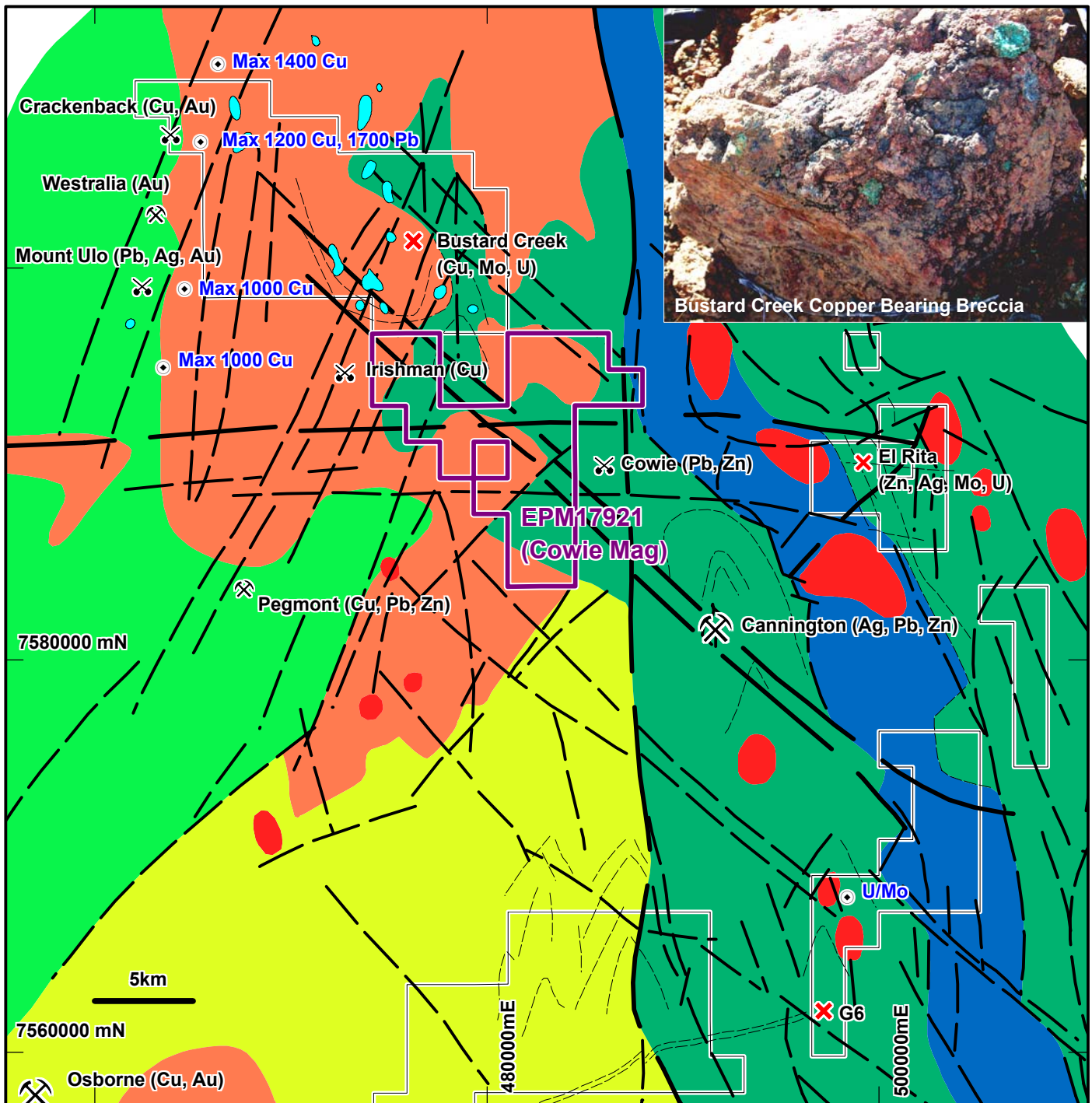


FIGURE 5



- Interpreted Granitic Intrusives
- Williams Granite
- Doherty Formation
(Calc-silicate breccias, siltstone, amphibolite)
- Soldiers Cap Group
(meta-sandstone, siltstone, graphitic schist, migmatite gneiss, banded iron formation/BIF)
- Kuridala Formation
(meta-greywacke, mica and graphite schist)
- Kuridala Formation
(meta-greywacke, mica and graphite schist, dolerites, BIF)
- Previous drilling result ✕ KRB prospect
- Elevated Uranium Response



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Squirrel Hills Project - Interpreted geology, mineralisation and previous drilling results. SHOWING COWIE MAG APPLICATION AREA

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Table 1

ANOMALOUS ROCK CHIP SAMPLES FROM TOOMBA

Sample Number	AMG/AGD66		Analytical Results (ppm unless shown as %)			Comments
	East	North	Gold	Copper	Bismuth	
10634	210275	7401161	1.600	144	999	Jasper float
10677	210273	7401160	0.194	4650	468	Quartz breccia/iron oxide scree
10701	210276	7401169	0.380	3690	653	Quartz breccia/iron oxide/Copper scree
10703	210275	7401155	0.199	1.19 %	124	Quartz breccia/iron oxide/Copper outcrop
10704	210281	7401142	0.050	1.43 %	274	Quartz breccia/iron oxide/Copper outcrop
10706	21308	7401152	0.080	3950	117	Quartz breccia/iron oxide scree
10707	210295	7401162	0.983	5140	228	Quartz breccia/iron oxide outcrop
10708	210271	7401171	0.079	7910	3170	Quartz breccia/iron oxide scree
10709	210258	7401185	0.264	2.77 %	730	Quartz breccia/iron oxide/Copper boulder
10711	210248	7401205	0.665	1.58 %	550	Quartz breccia/iron oxide/Copper outcrop
10714	210372	7401427	0.106	283	10	Quartz breccia/iron oxide scree
10716	210237	7401119	0.049	271	661	Jasper scree
10741	210282	7401085	0.086	71	7	Quartz breccia scree
10743	210335	7400987	0.006	18	62	specular hematite outcrop(110ppm tungsten)
10744	210231	7401135	0.415	3180	3030	Quartz breccia/iron oxide outcrop
10746	210233	7401113	0.587	401	1140	Quartz breccia/iron oxide outcrop
10747	210244	7401120	0.135	325	597	Quartz breccia/iron oxide outcrop

Appendix 5B

Mining exploration entity quarterly report

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

Name of entity

Krucible Metals Ltd

ABN

12 118 788 846

Quarter ended ("current quarter")

31st March 2009.

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (...9... months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(153)	(1,451)
(b) development	-	-
(c) production	-	-
(d) administration	(84)	(287)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	16	193
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(221)	(1,545)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects investments (b)equity		
(c) other fixed assets	(1)	(1)
1.9 Proceeds from sale of: (a)prospects investments (b)equity		
(c)other fixed assets		
1.10 Loans to other entities		
1.11 Loans repaid by other entities		
1.12 Other (provide details if material)	8	(10)
Net investing cash flows	7	(11)
1.13 Total operating and investing cash flows (carried forward)	(214)	(1,556)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(214)	(1,556)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	100	100
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings		
1.18	Dividends paid		
1.19	Other (provide details if material)		
	Net financing cash flows	100	100
	Net increase (decrease) in cash held	(114)	(1,456)
1.20	Cash at beginning of quarter/year to date	3,946	5,288
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	3,832	3,832

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	71
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Total amounts paid to directors including salaries, directors fees, superannuation and consulting fees.

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

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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

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+ See chapter 19 for defined terms.

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	600
4.2 Development	-
Total	600

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	117	742
5.2 Deposits at call	3,715	3,204
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	3,832	3,946

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 17471	1 EPM Application	100%	0
	EPM 17477	1 EPM Application	100%	0
6.2 Interests in mining tenements acquired or increased	EPM 18001	1 EPM Application	0	100%

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	53,359,100	47,509,100		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	200,000	0	25 cents	25 cents
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,700,000 100,000 50,000	- - -	<i>Exercise price</i> 25 cents 25 cents 45 cents	<i>Expiry date</i> 14/11/2011 30/03/2011 30/09/2011
7.8 Issued during quarter				
7.9 Exercised during quarter	200,000	-	25 cents	25 cents
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

+ See chapter 19 for defined terms.

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:
(Director/Company secretary)

Date: 23rd April 2009.

Print name: Dennis Lovell

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 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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