KRUCIBLE METALS LTD
Mineral Discovery Company
ABN 12 118 788 846

ASX CODE: KRB

ASX ANNOUNCEMENT
PRESENTATION – MINING 2011 RESOURCES CONVENTION
27TH OCTOBER 2011

Please see the attached Krucible presentation given by Tony Alston at the Mining 2011 Resources Convention held in Brisbane on Thursday 27th October 2011.

Attached: Mining 2011 Presentation

Tony Alston
Managing Director
Krucible Metals Ltd.

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

WEB SITE: www.kruciblemetals.com.au

COMPETENT PERSONS STATEMENT

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

The analytical results quoted in the drill intersections for Rare Earths at Korella have been supplied by ALS Chemex Laboratories utilising the specialist Rare Earth Mass Spectroscopy Method ME-MS81.

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 (PHM South) 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.

KRUCIBLE METALS LTD

MINING 2011 PRESENTATION -

Brisbane 27th October 2011

Tony Alston (Managing Director)

VERTICAL

EVENTS

ASX Code: **KRB**

www.kruciblemetals.com.au

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.

Krucible Metals Ltd, its directors, officers, employees and agents disclaim liability for any loss or damage suffered by reliance on information contained in this report when making investment decisions. In addition, no express or implied representation or warranty is given in relation to the completeness and sufficiency of the information, opinions or beliefs contained in this document or any other written or oral information made or to be made available to any interested party or its advisors.

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 CORPORATE

Tony Alston (Managing Director, Geologist, Acting Chairman)

Dennis Lovell (Secretary and Financial / Director)

Ray Koenig (Director, Metallurgist and Phosphate Project Manager)

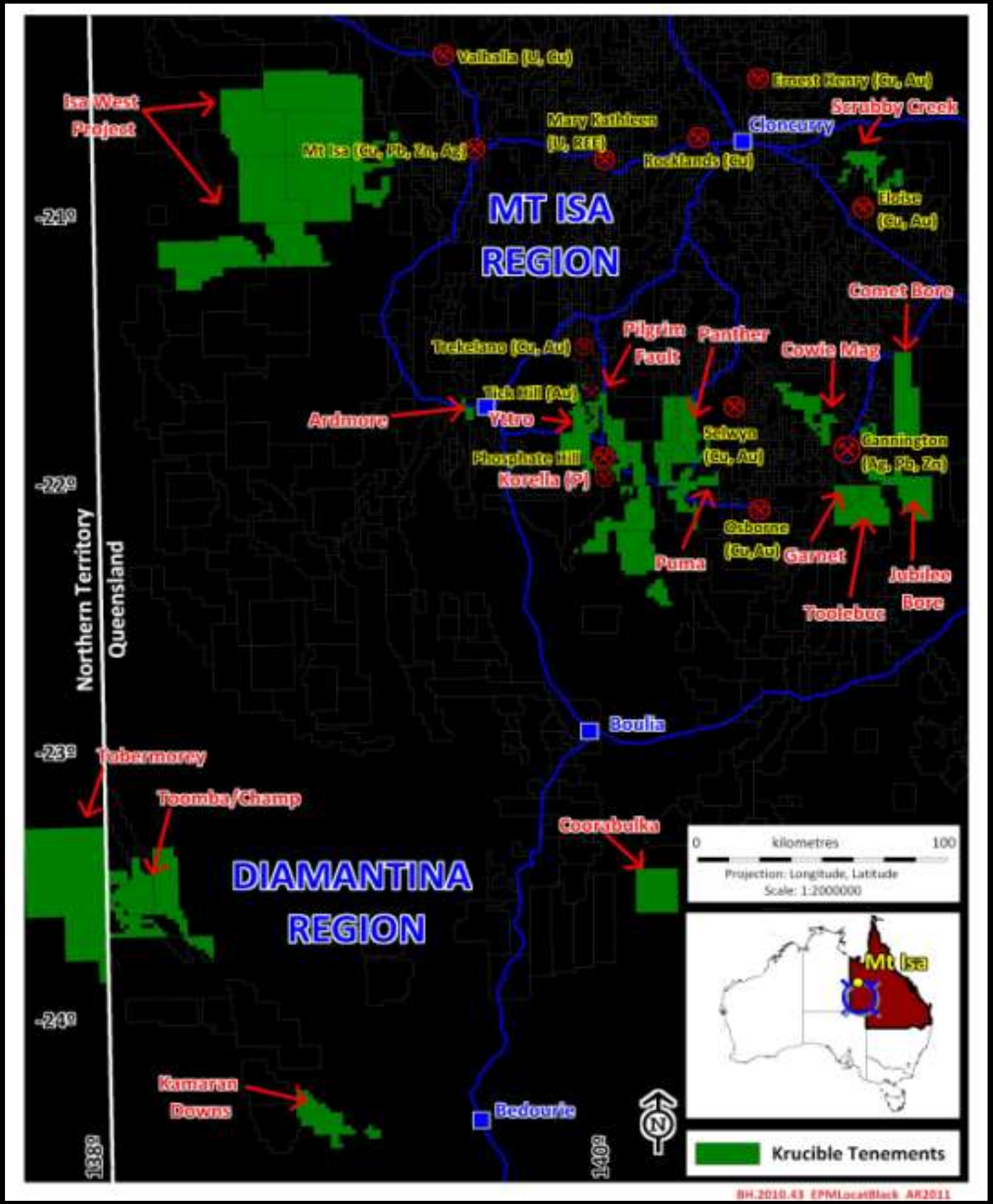
- *The Directors form an experienced and successful team and own approximately 12% of the company.*
- *Krucible listed on the ASX in November 2007 and raised $6 million. The Company currently has on issue 66.4 million fully paid shares.*
- *Top 20 Shareholders hold approx. 57% of shares. Current market cap approx. $11.3 million.*
- *Current share price at $0.17*
- *Share Purchase Plan recently completed & raised $0.658 million*
- *Current cash reserves are about <u>$2 million</u>.*

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

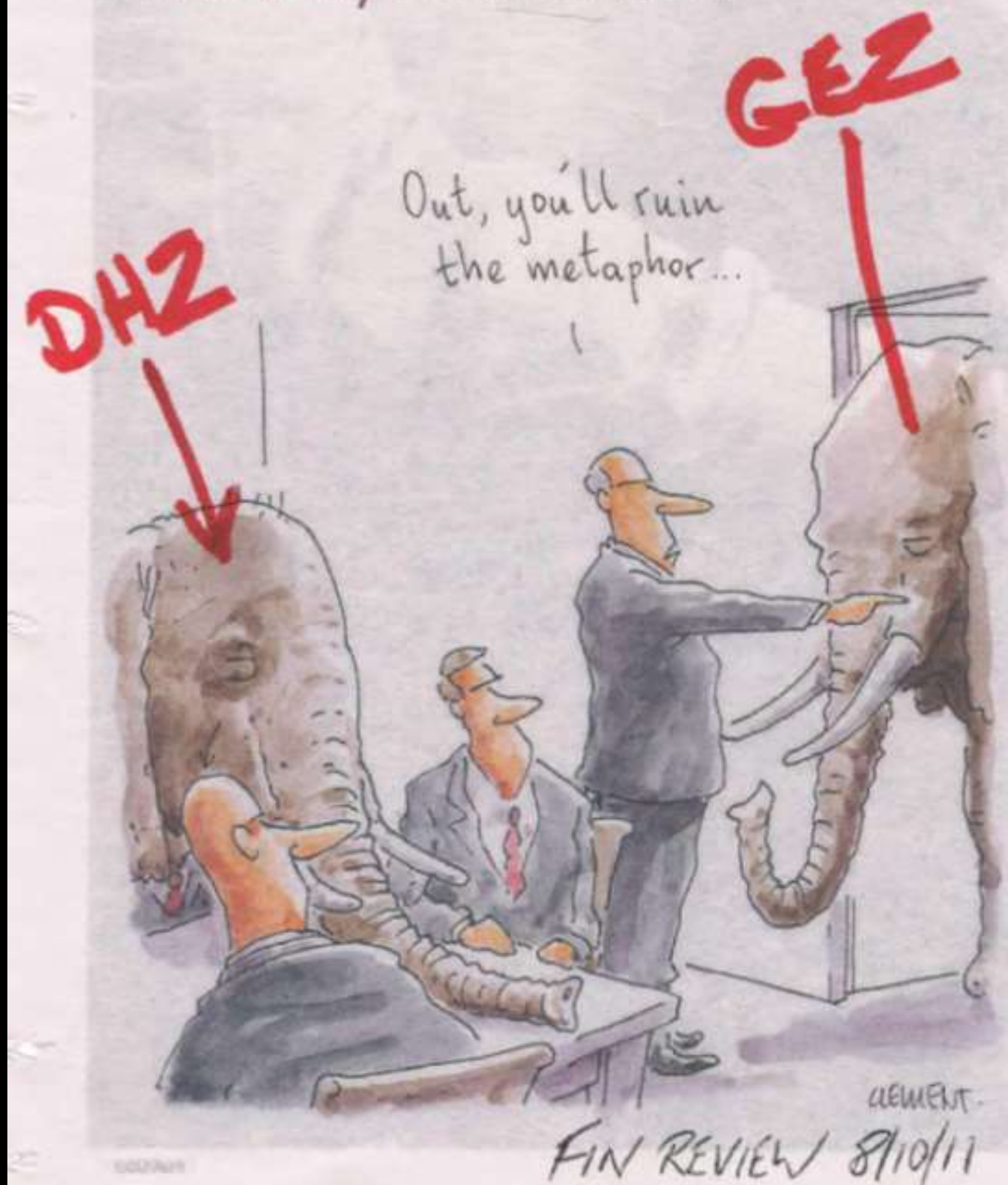
KRUCIBLE
("The Melting Pot")

- Discovery motivated explorers
- Diversity
  - Fertiliser / Phosphate
  - Heavy Rare Earths (HREE)
  - Copper / Gold
  - Other Metals?
- Early Success
  - Phosphate Inferred Resource
  - HREE inferred Resource
  - Copper Drill Intersections
- Properties 100% Owned
- Pipline of.....DRILL TARGETS
- DARE TO BE DIFFERENT!!

Location plan showing Krucible Tenements

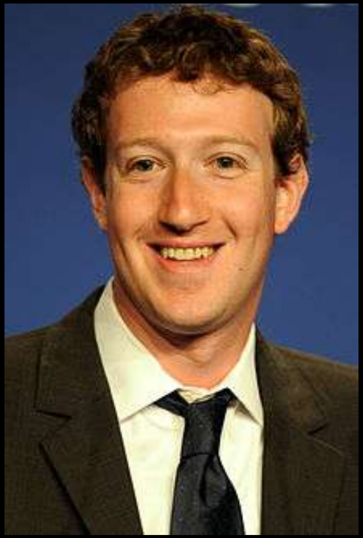


Underbelly Rod Clement



Steve Jobs – APPLE
(started in a shed)

Bill Gates – Microsoft
(started in a shed)

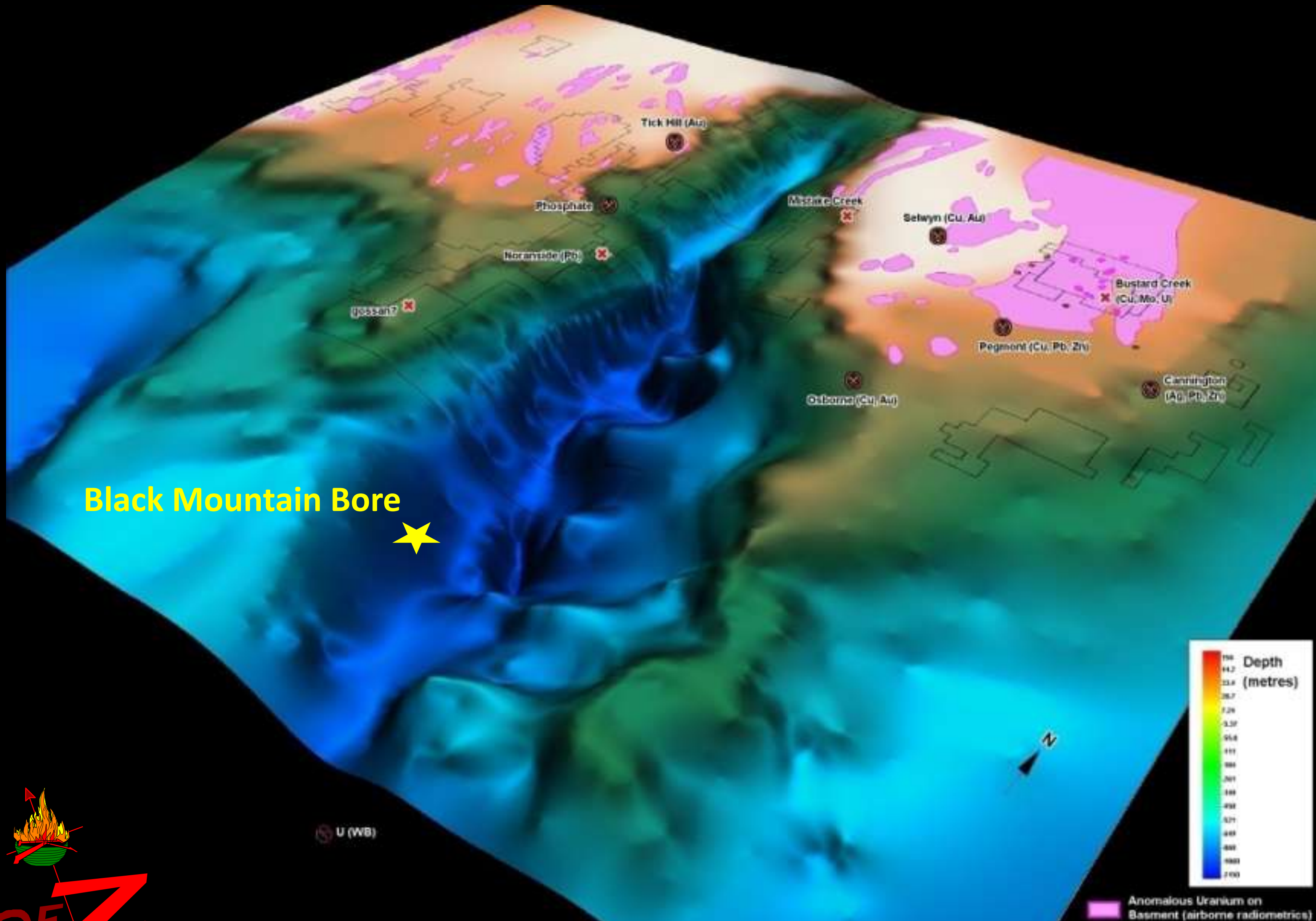


Mark Zuckerberg – Facebook
(started in a shed)

WHAT IS IT WITH SHEDS, LOW CAPITAL & HUGE COMPANY GROWTH ??!!!

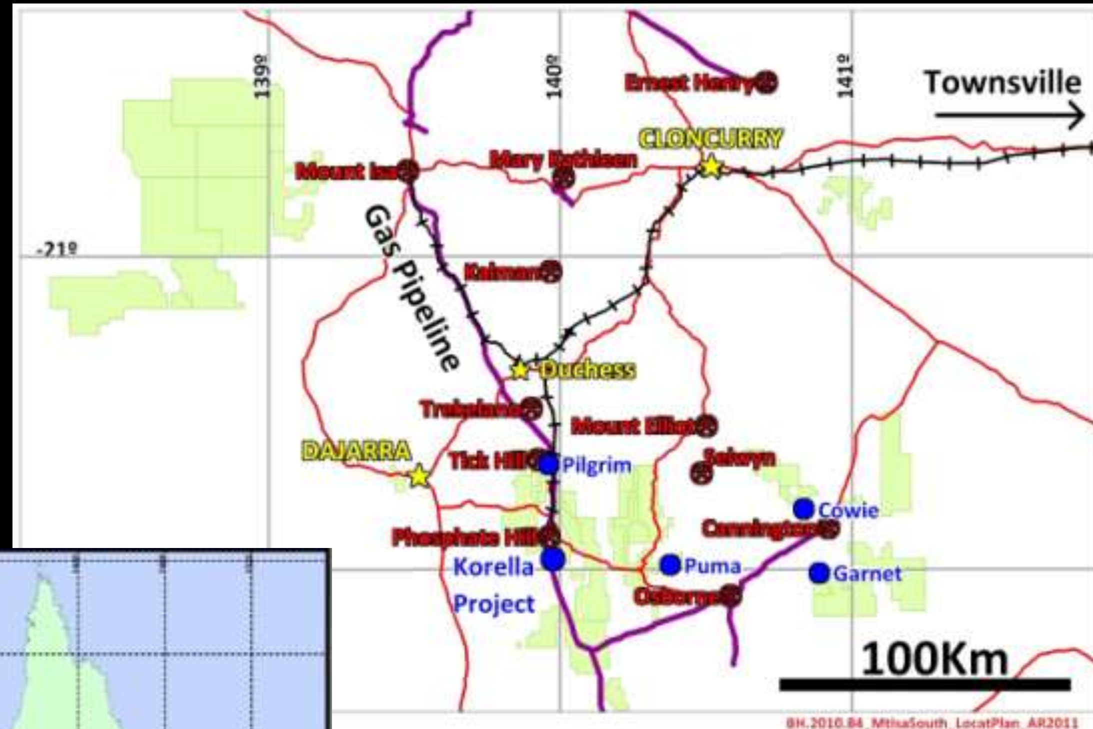
(INNOVATION, IMAGINATION & CAPITALISATION)

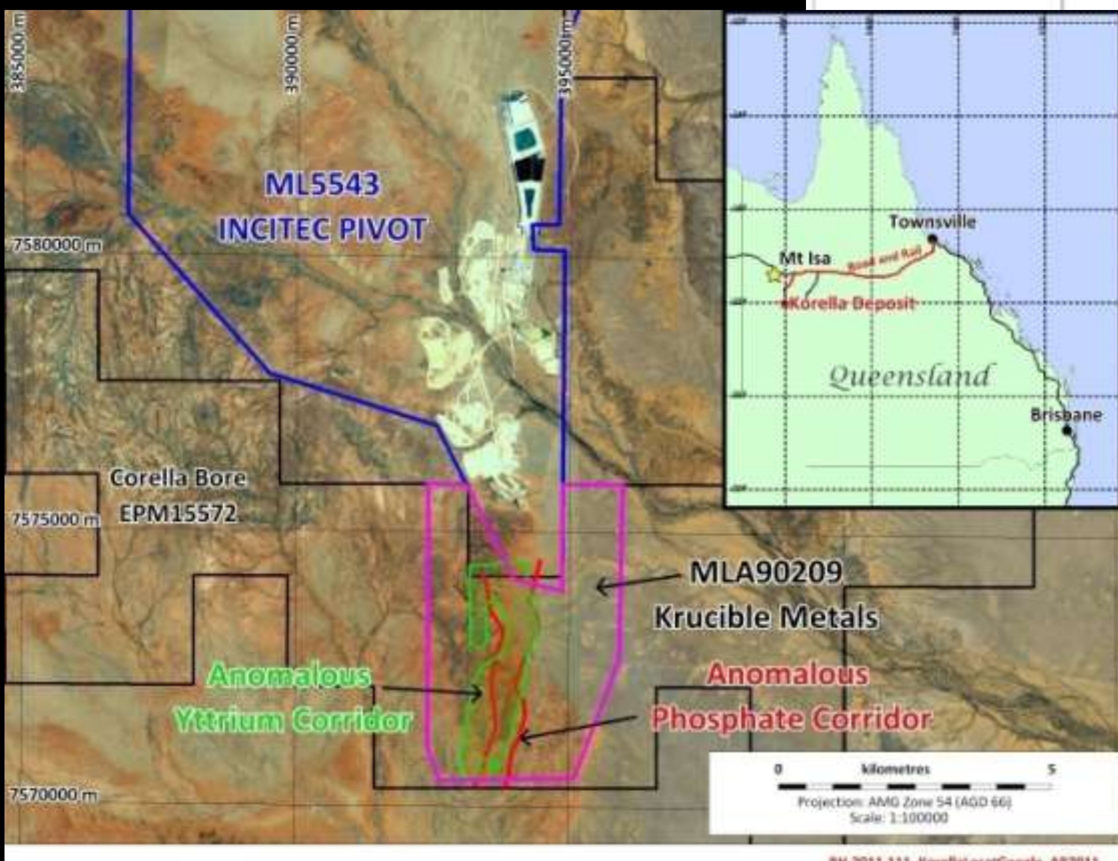
PILGRIM FAULT CORRIDOR/GEORGINA EAST ZONE



Georgina Basin. Oblique View (Looking NW)
Depth to Proterozoic Basement

Isa South Showing Mines and Infrastructure
Krucible EPM's (Green)
Prospects (Blue)





Corella Bore EPM 15572 – Korella Project Mining Lease Application with Yttrium and Phosphate Enrichment Corridors

KORELLA INFERRED RESOURCE TABLE

Eastern Zone - Yttrium		**Western Zone - Yttrium**
9.6MT @ 0.72kg/t Y_2O_3	← +300ppm Y (0.38kg/t Y_2O_3) →	4.12MT @ 0.63kg/t Y_2O_3
4.8MT @ 1.01kg/t Y_2O_3	← +500ppm Y (0.64kg/t Y_2O_3) →	2.25MT @ 0.77g/t Y_2O_3
TOTAL Yttrium (Y)		
Low Grade	+300ppm Y →	13.72MT @ 0.70kg/t Y_2O_3
High Grade	+500ppm Y →	7.03MT @ 0.93kg/t Y_2O_3
Phosphate		
High Grade	+25% →	5.0MT @ 30.8% P_2O_5
Low Grade	+20% →	8.3MT @ 27.3% P_2O_5
Total Tonnes Yttrium + Phosphate		
Low Grade	(+20% P_2O_5 / +300ppm Y)	**22.02MT**
High Grade	(+25% P_2O_5 / +500ppm Y)	**12.03MT**

NB. CORELLA BORE EPM/ KORELLA MLA –
EXPENDITURE TO DATE ~ $1.92 million
THIS EQUATES TO $0.16 per tonne for 12 M.T

PHOSPHATE FACTORS / MARKETS

- Predicted Rising Demand for Fertilisers due to:

  - increasing world population
  - decreasing arable land / increasing urbanisation
  - bio fuel production
  - decreasing availability of phosphate for markets

- Markets peaked in 2008 and declined in 2009 but are predicted to improve from 2011 onwards

- Phosphate market prices dictated by confidential contracts, grade, quality and geographic location – VARIABLE PRICES

- Increasing demand (especially in western world) for high grade (+30% P_2O_5) and pure phosphate for direct agriculture spread (long life, slow release, no chemical contamination)

- Australia is a **net importer** of rock phosphate (mainly from Morocco)

- Bulk sampling and feasibility studies essential for customers plant trial

USES & MARKETS FOR YTTRIUM

- Yttrium primarily used in high tech industries for **manufacture** of;
  SUPER ALLOYS
  SUPER CONDUCTORS
  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

- There are only a few large scale HREE deposits in Western World to fill supply gaps – prices are expected to remain robust.

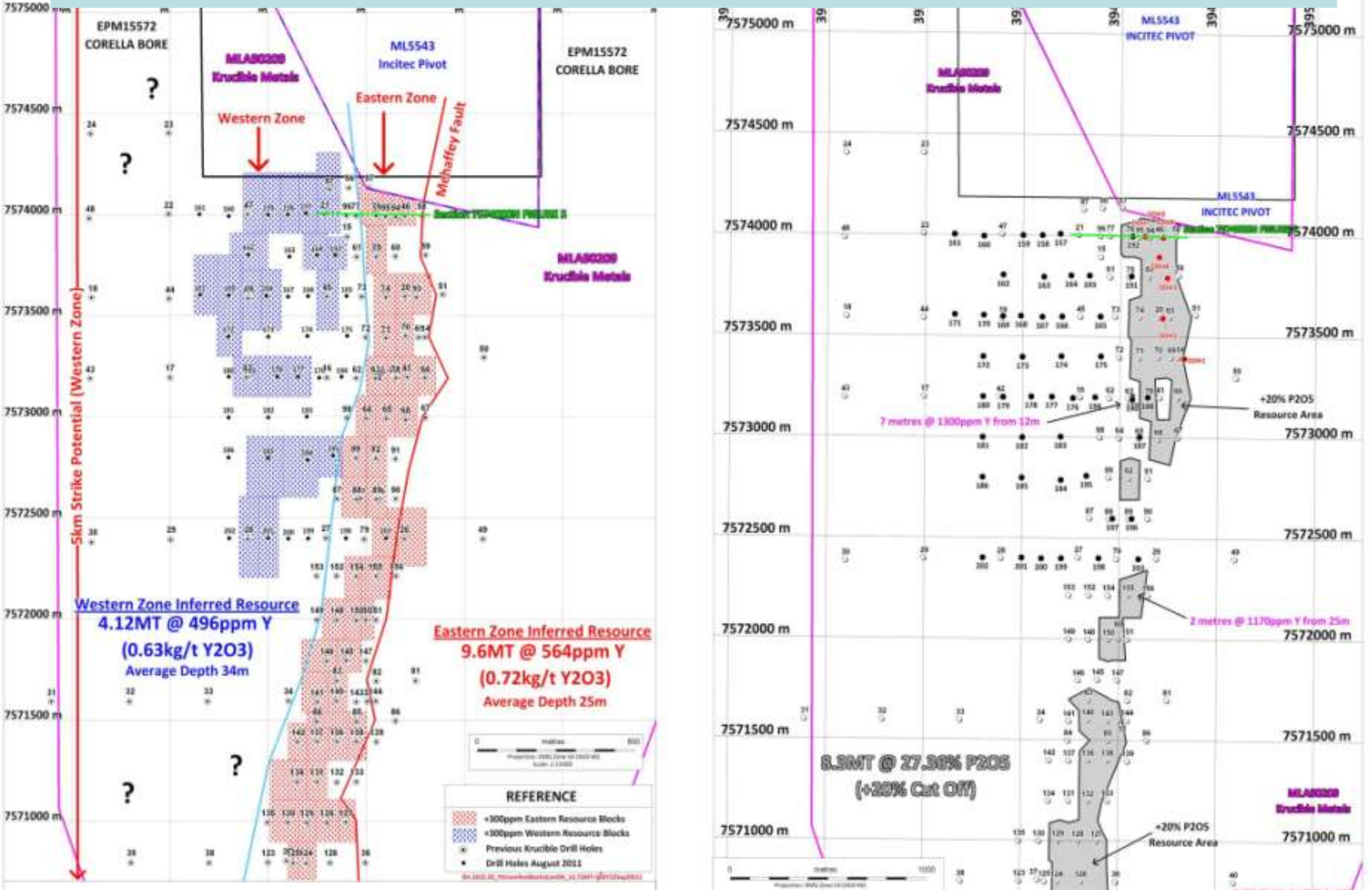
KORELLA MINING LEASE APPLICATION 90209 CURRENT STATUS

- Bulk sampling is not allowed in Queensland on an EPM (Bulk samples required for testing by potential customers)
- One mining lease to cover the whole phosphate deposit and service area.
- Environmental process has been activated Dec 09 and base level studies have commenced.
  NO ENVIRONMENTAL IMPACT STUDY (EIS) REQUIRED
- Environmental Management Plan (EMP) in negotiations with DERM
- Native Title negotiations finalized with Yulluna People for MLA - Expected to be signed off in early November 2011
- **Compensation Agreement signed with Grazing Landholder (No monetary consideration)**
- **MINING LEASE GRANT EARLY 2012??**

OUTLINE OF KORELLA PROJECT – POSSIBLE ECONOMICS & EMPLOYMENT

- PROPOSED 6-8 YEAR MINE LIFE @ 400,000 - 600,000 tonnes per annum
- KORELLA will be essentially a QUARRY OPERATION and High Grade Rock Phosphate (Direct Shipping Ore / DSO) will be railed to the port at Townsville
- The START UP COST is approx. $40 million (could be less at lower production rates; includes $15 million working capital)
- The ESTIMATED BREAK-EVEN COST IS ≈ $130/tonne
- Current price at September 2011 for DSO Phosphate was $180-200/tonne (N.B. The price in 2006 was $50/tonne)
- The NPV for the 2010 scoping study was $83 million
- The operation would mainly be carried out by Contract Operators (Mining, Crushing, Screening and Transport)

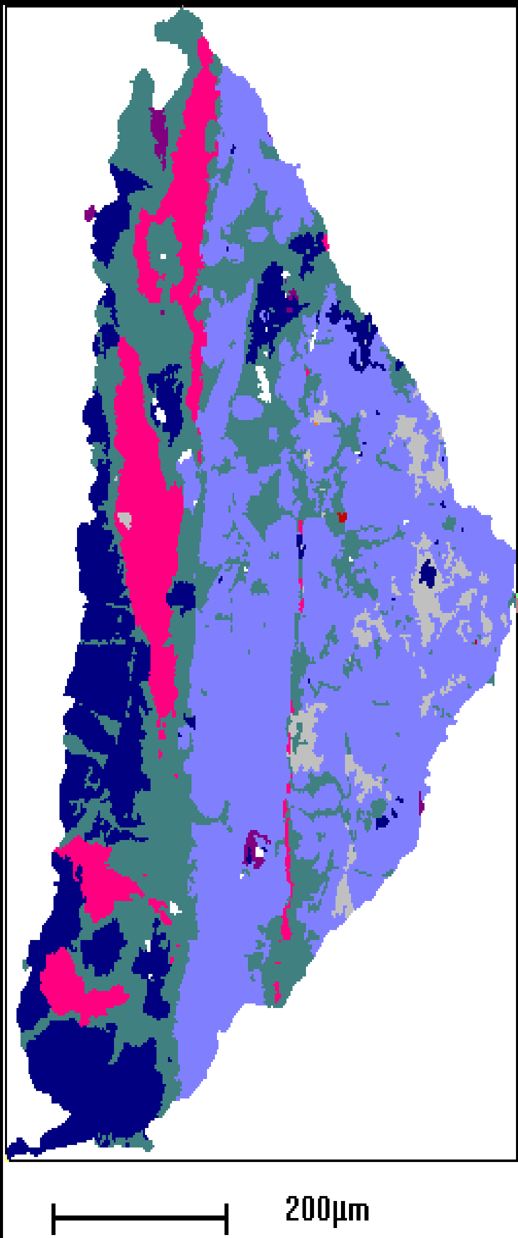
KORELLA RESOURSE BLOCKS FOR YTTRIUM (LHS) & PHOSPHATE (RHS)

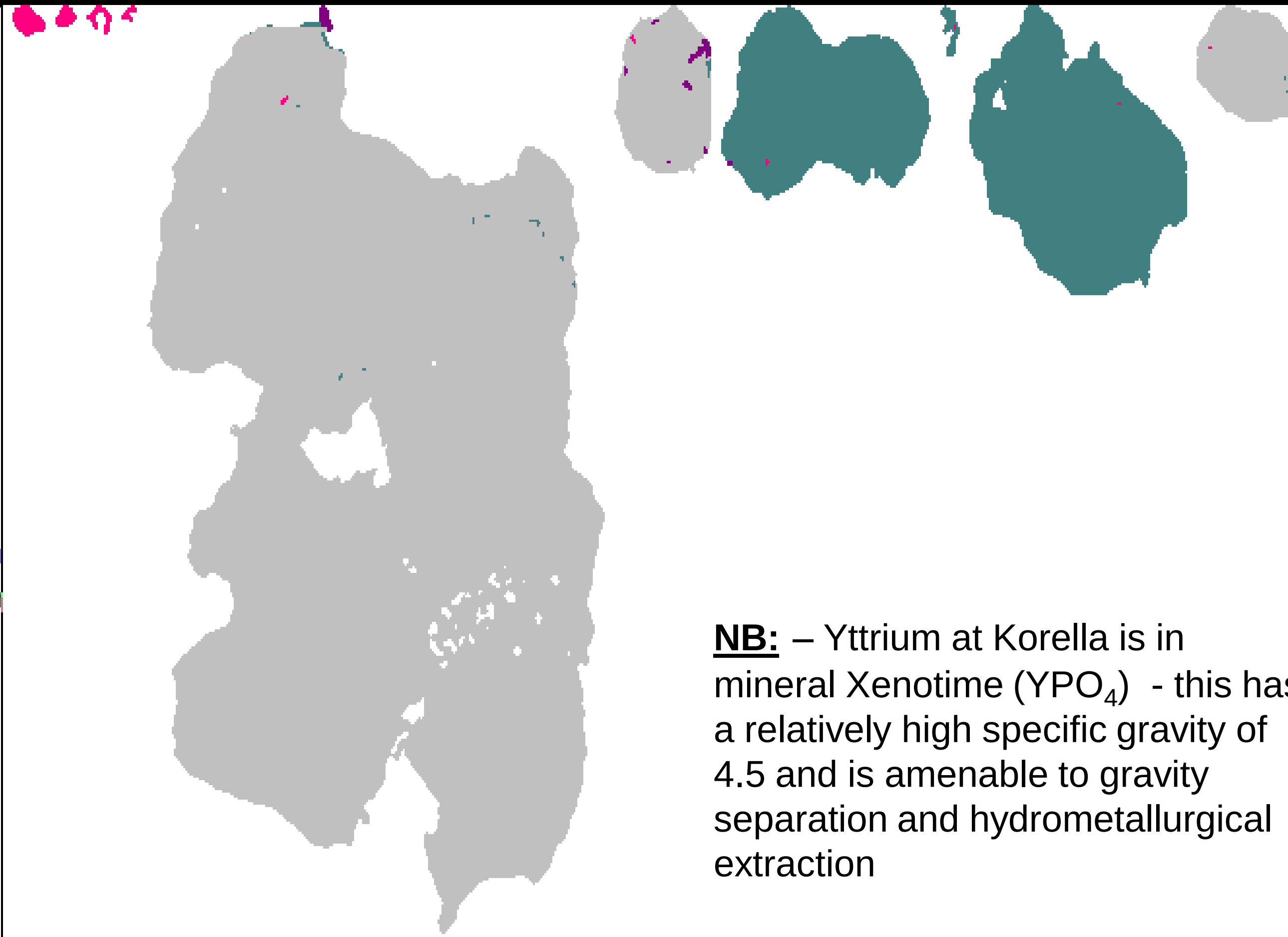


Corella Bore EPm15572—Korella Project

Yttrium +300ppm Resource Blocks on Left and Phosphate +20% Resource Blocks on Right

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

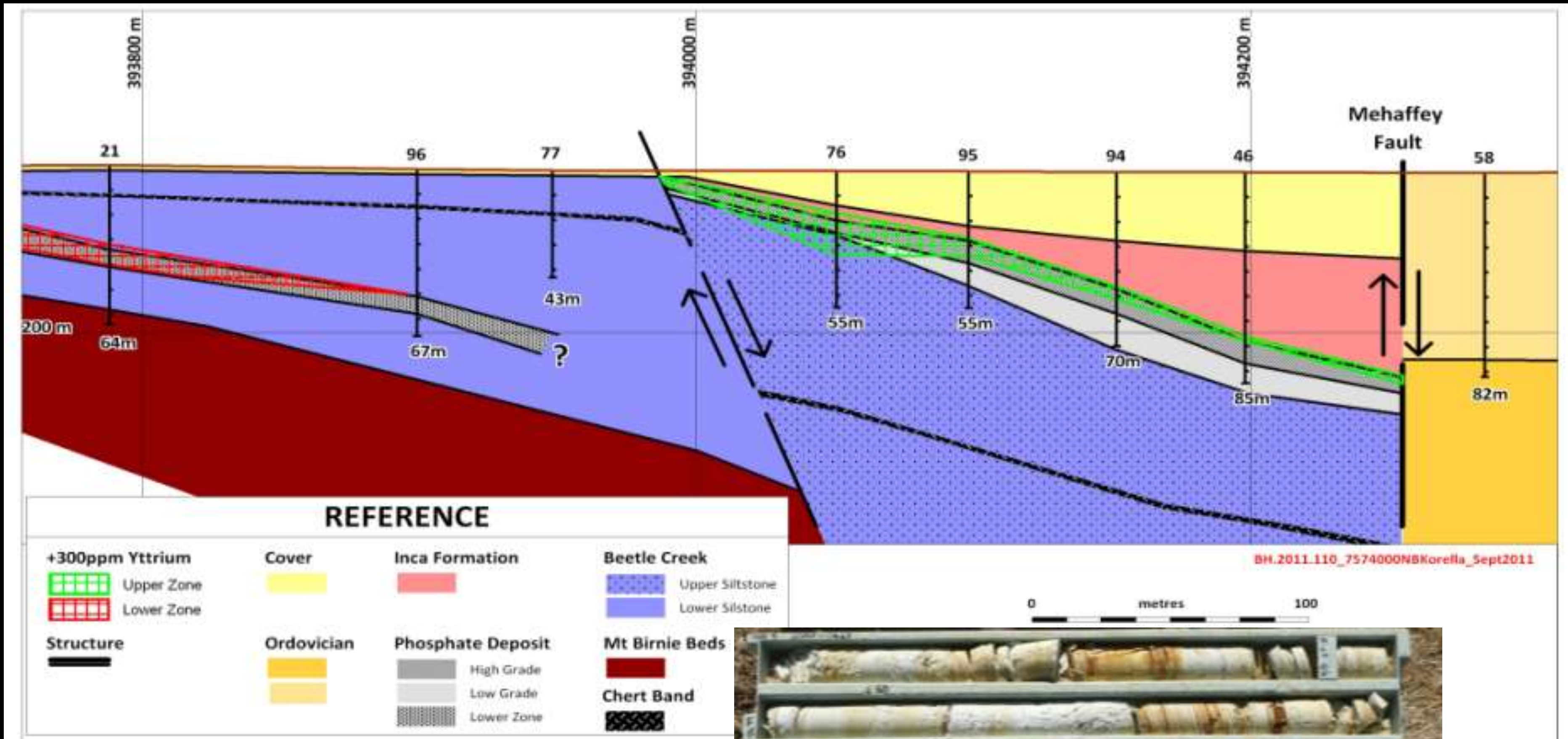




<u>NB:</u> – Yttrium at Korella is in mineral Xenotime (YPO_4) - this has a relatively high specific gravity of 4.5 and is amenable to gravity separation and hydrometallurgical extraction

Line Up of Xenotime Grains Detected in Drill Sample

Corella Bore – Korella Project Section 7574000N Showing Anomalous Yttrium Values



"High grade drill core from 09CBPD04; the intervals from 69.7 - 73.8 metres averages 4.1m @ 36.0% P_2O_5"

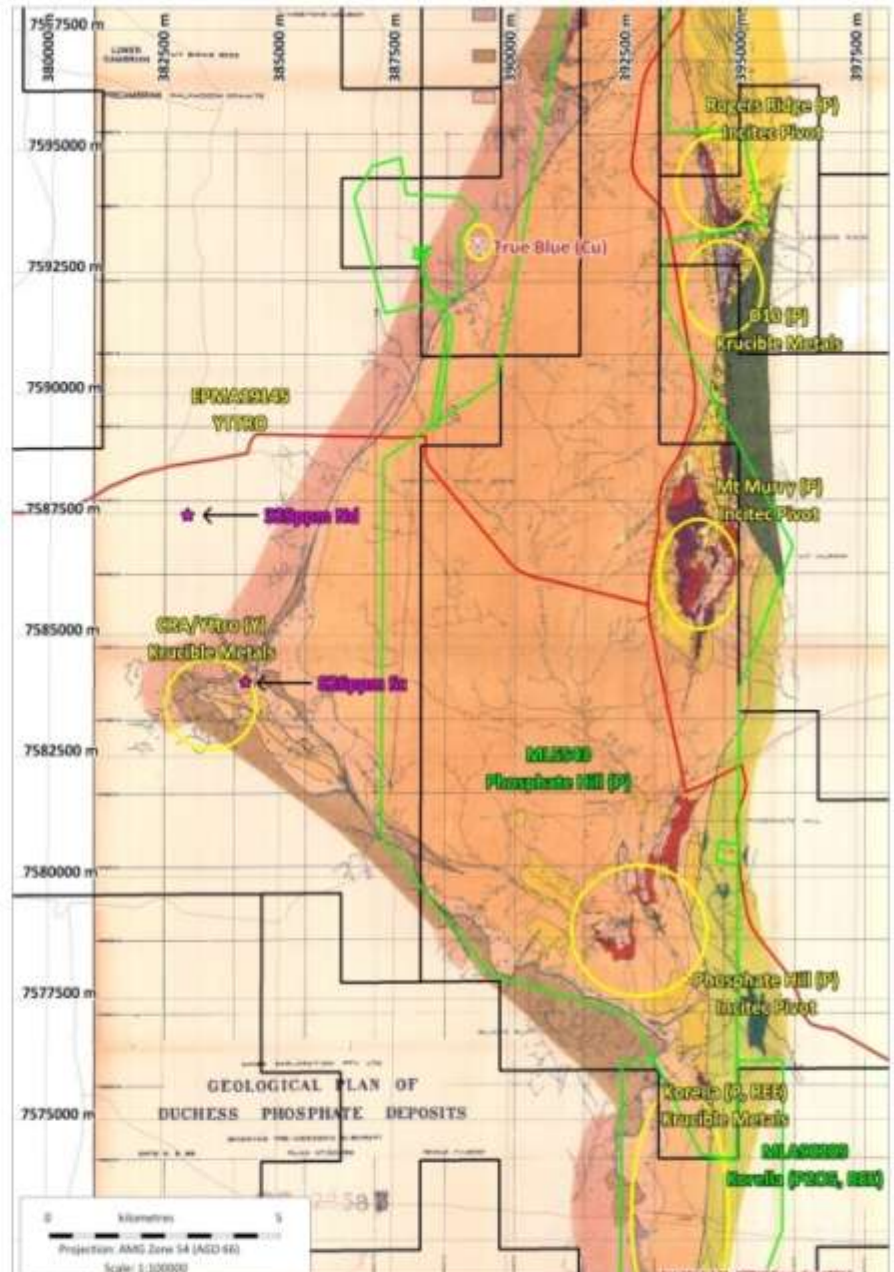
Phosphate enrichment – Beetle Creek Group

Heavy REE enrichment in Hanging Wall – Inca Formation

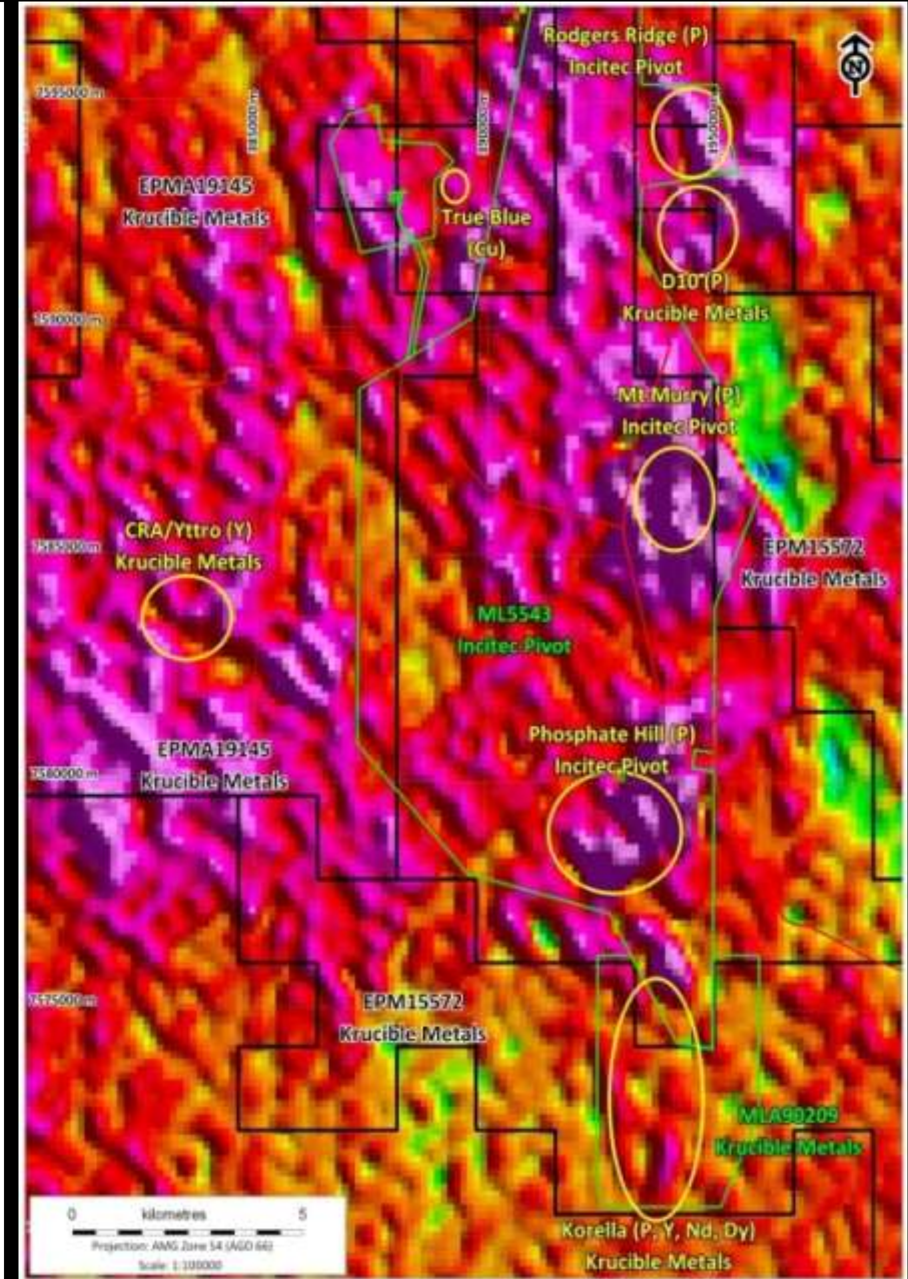
YTTRIUM SCOPING STUDY

- To be commenced after completion of initial metallurgical tests (beneficiation & acid leach/solvent extraction)
- 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 if metallurgical test work is positive.

HEAVY RARE EARTHS – REGIONAL POTENTIAL



Mines Exploration (1968) Mapped Geology Showing Yttro EPMA19145 and MLA90209



Krucible EPM's Phosphate/REE Prospects on Uranium Radiometrics

PRICES QUOTED FOR HEAVY RARE EARTH (HREE) OXIDES IN OCTOBER 2011 (c.f. DEC 2010)

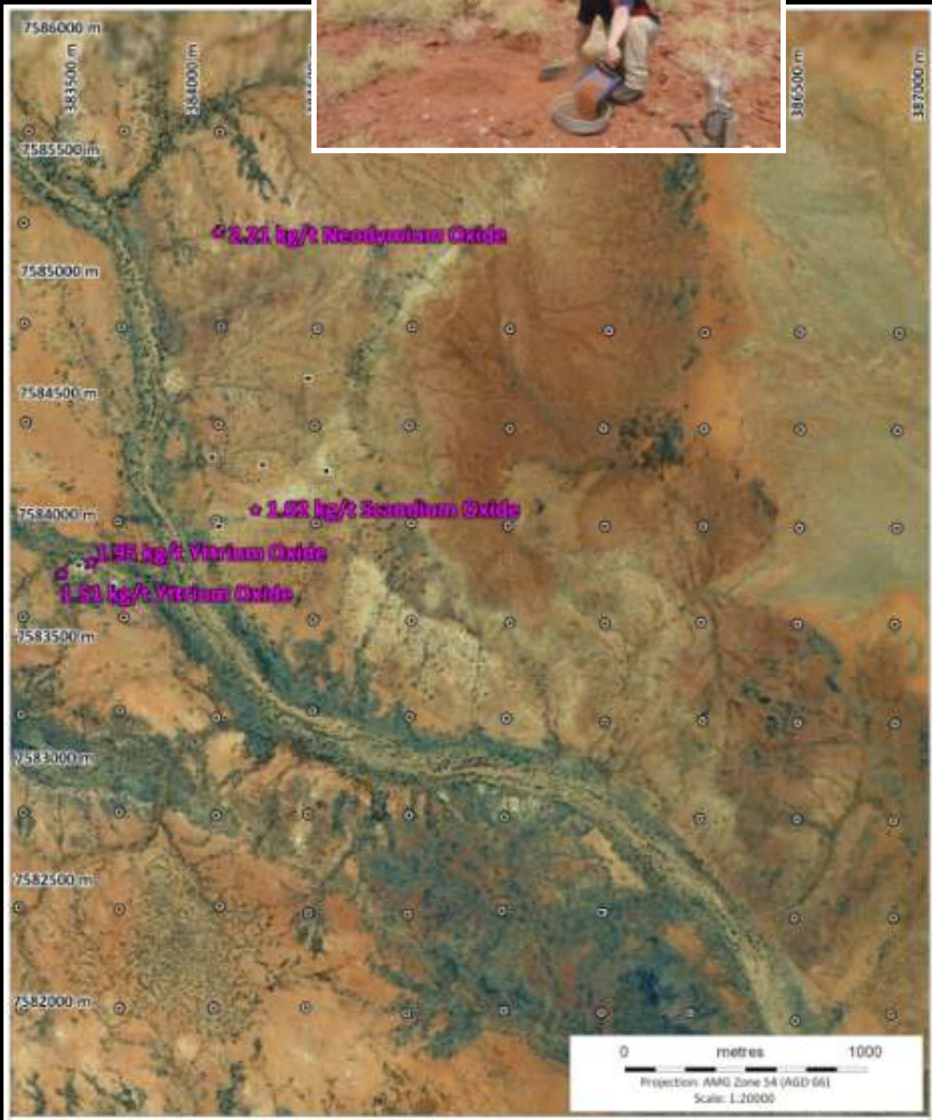
HREE	PRICE PER KILO	
	OCT 2011	DEC 2010
Yttrium Oxide (Y_2O_3)	$165	($80)
Neodymium Oxide ((Nd_2O_3)	$ 300	($75)
Dysprosium Oxide (Dy_2O_3)	$1950	($400)
Gadolinium Oxide (Gd_2O_3)	$190	($90)
Scandium Oxide (Sc_2O_3)	$6400	($5200)
Praesodymium Oxide (Pr_2O_3)	$245	($100)
Copper Metal	$7.30	($9.60)

NB At Yttro EPM surface Outcrop samples have returned up to:

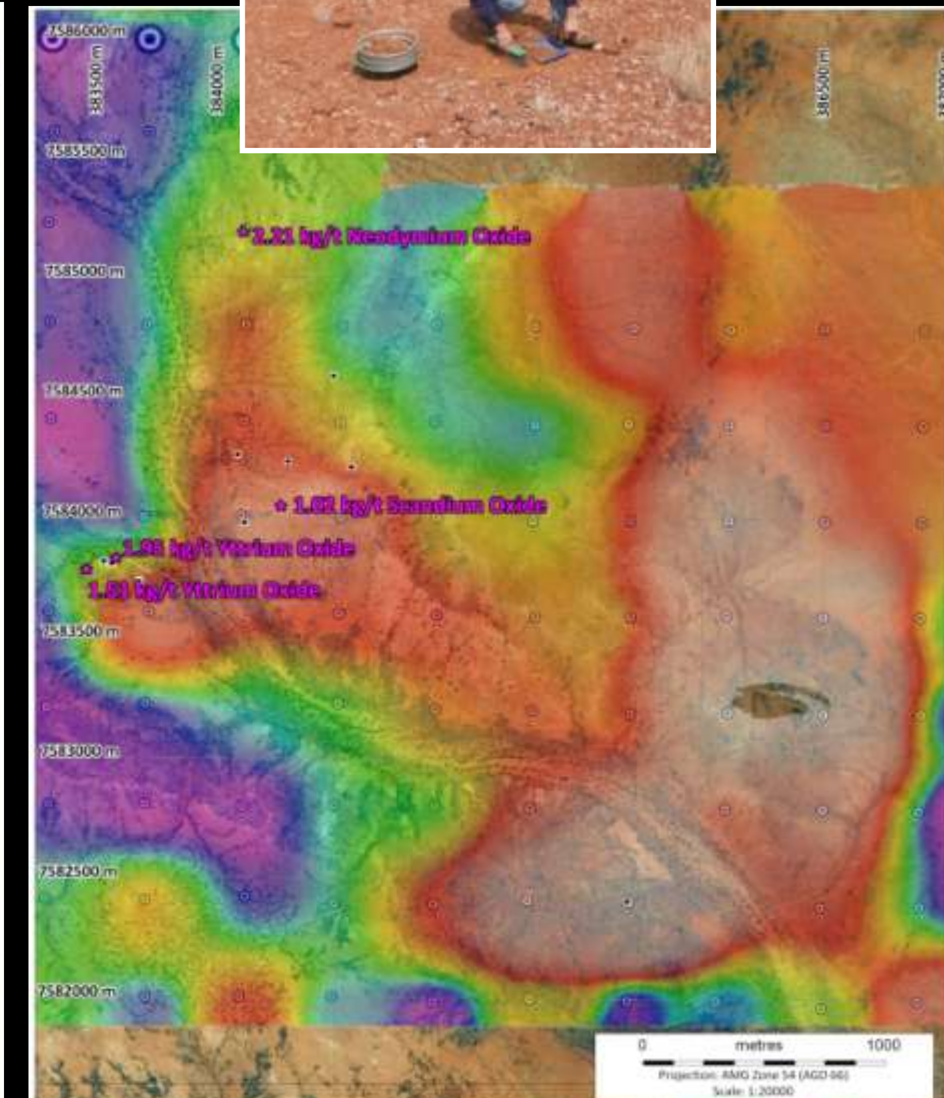
- 1.95 Kg/t Y2O3
- 2.21 Kg/t Nd2O3
- 1.02 Kg/t Sc2O3
- 0.66 Kg/t Pr2O3

Metallurgical characteristics NOT KNOWN for YTTRO rock samples

Fighting lag sampling team



YTTRO EPMA19145 - Lag Sampling on Google Image



YTTRO EPMA19145 -
Neodymium Lag Sampling Anomalies on Google Image

HREE TARGET STYLES FOR EXPLORATION IN KORELLA REGION/ NW QLD

- Yttrium (± Neodymium, Dysprosium, Scandium) associated with Cambrian Sediment Disconformities / Faults (Xenotime/clays/silica) - SECONDARY

- Surface / sub Surface Yttrium associated with Cambrian Disconformities & Faults (SECONDARY)

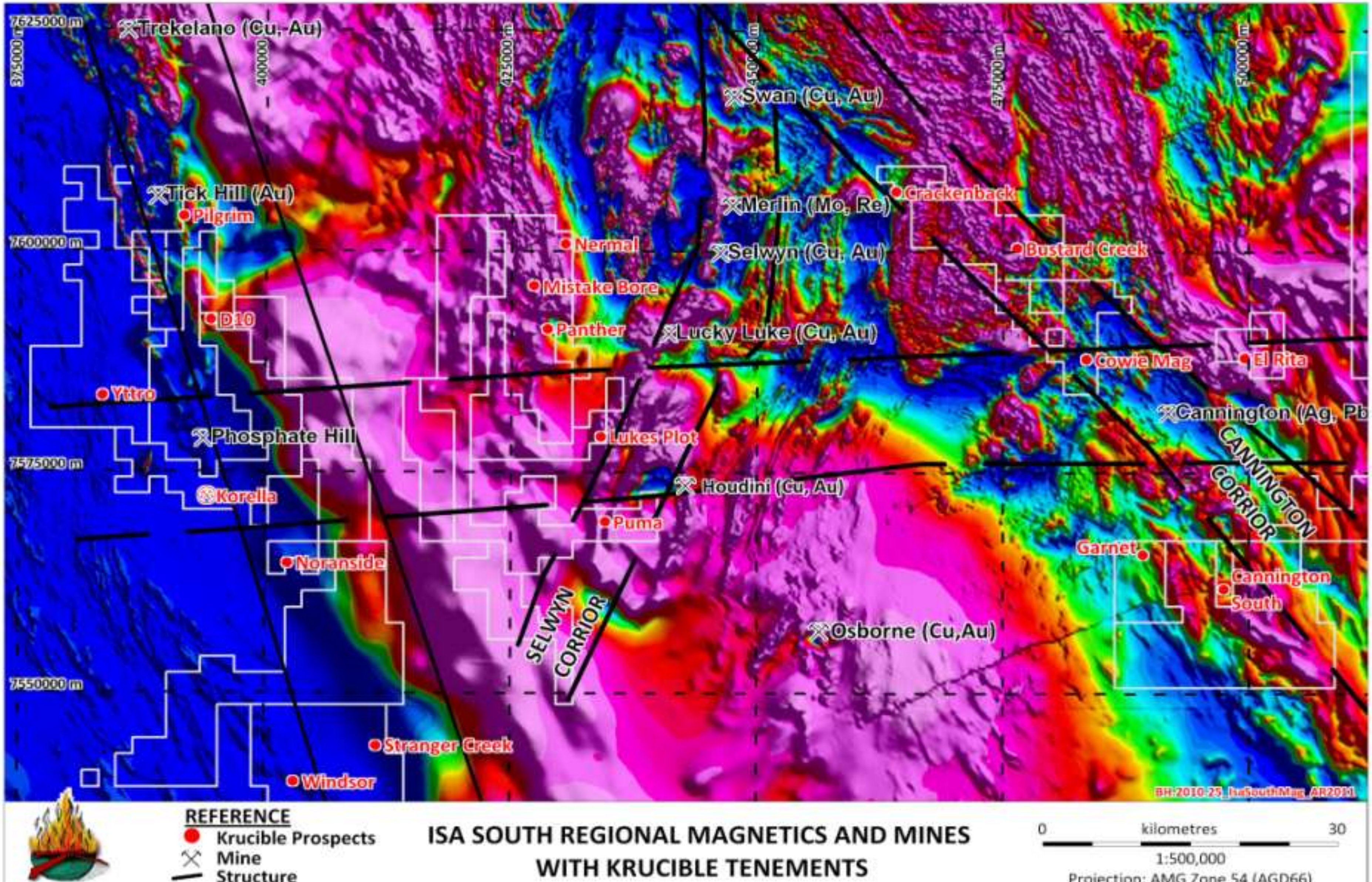
- PRIMARY Neodymium (± Yttrium, Gadolinium) associated with Proterozoic granitoid intrusives /breccias

- “IONIC CLAYS” (Yttrium) associated with near surface clay/ laterite zones (remobilised – easily recovered?)

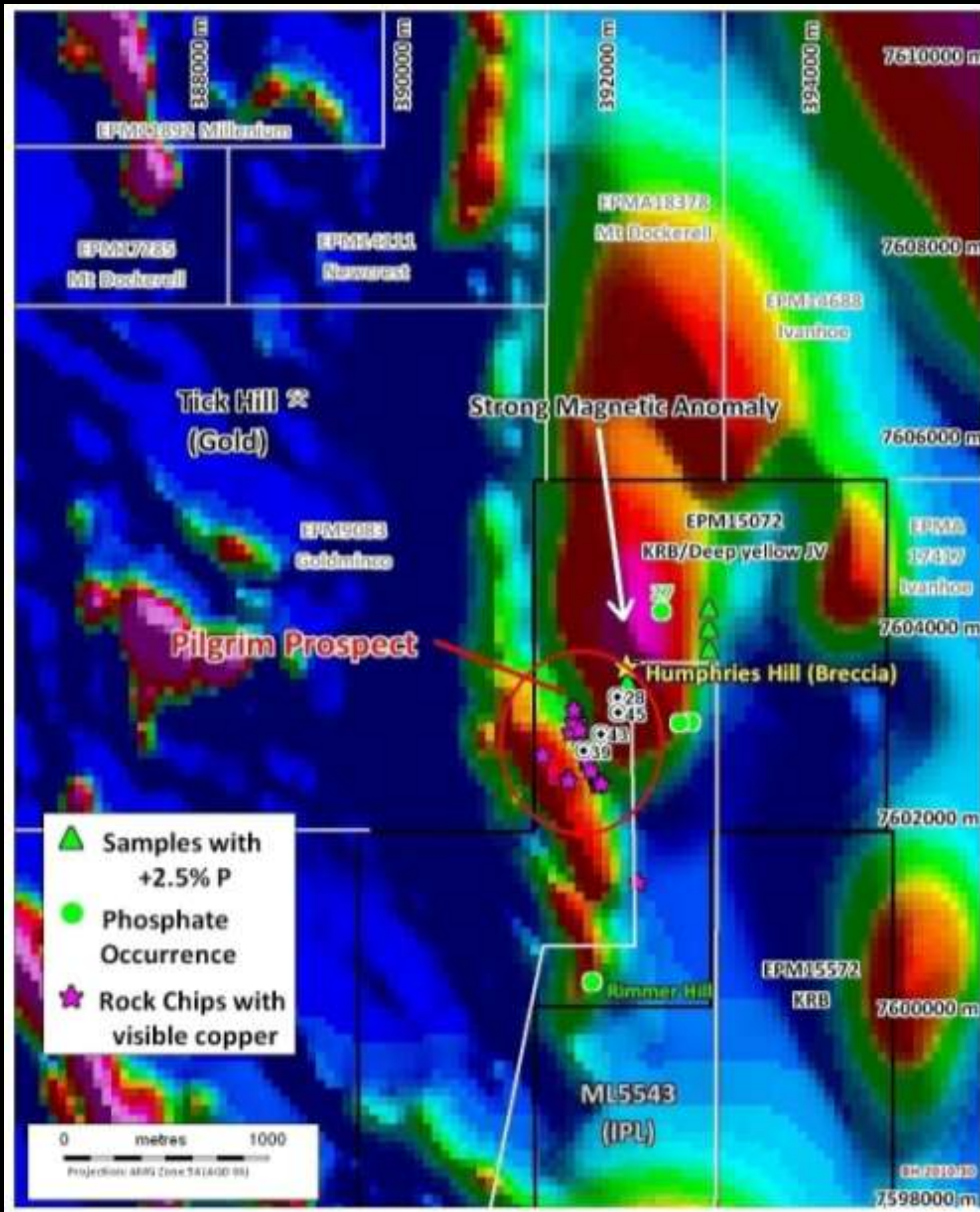
- OTHERS????? (CARBONATITES?)

ISA SOUTH SUMMARY – COPPER / GOLD

- CLUSTER OF OPERATING MINES & LARGE DEPOSITS
- MINERALISED CORRIDORS IN AREA OF EXISTING INFRASTRUCTURE
- OPPORTUNITIES FOR DISCOVERY IN AREAS OF POOR OUTCROP
- KRUCIBLE DRILLING HAS INTERSECTED ANOMALOUS COPPER/ ZINC AT PILGRIM, GARNET & MERLIN TANK
- KRUCIBLE HAS ANOMALOUS ROCK CHIPS & SOILS AT CRACKENBACK, BUSTARD CREEK, COWIE MAG AS WELL AS GEOPHYSICAL ANOMALIES AT LUKES PLOT, PUMA & STRANGER CREEK
- “PIPELINE” OF DRILLING READY TARGETS TO TEST



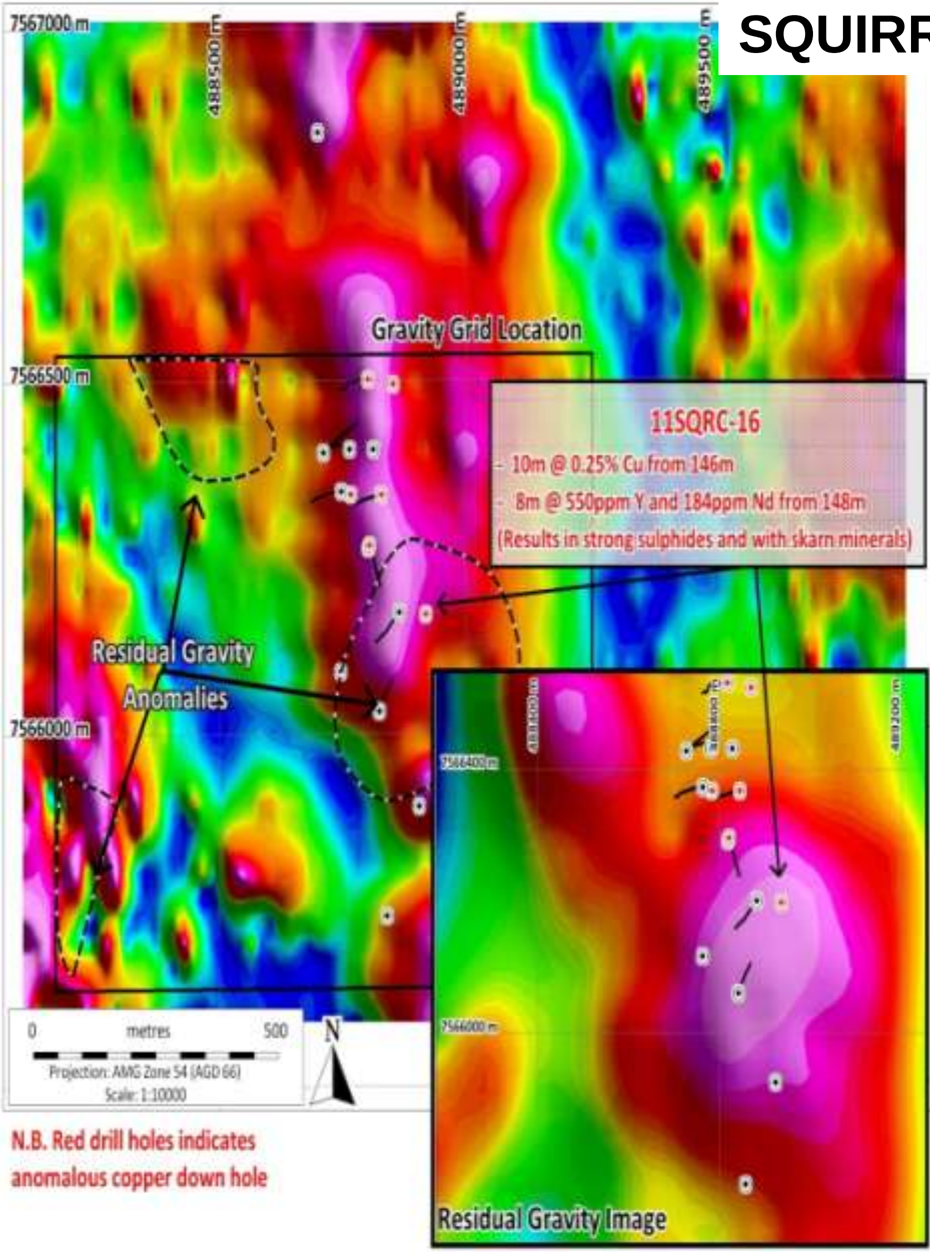
MINES & DEPOSITS IN MT. ISA SOUTH REGION –
On Regional Government Magnetics Showing Prospective CORRIDORS



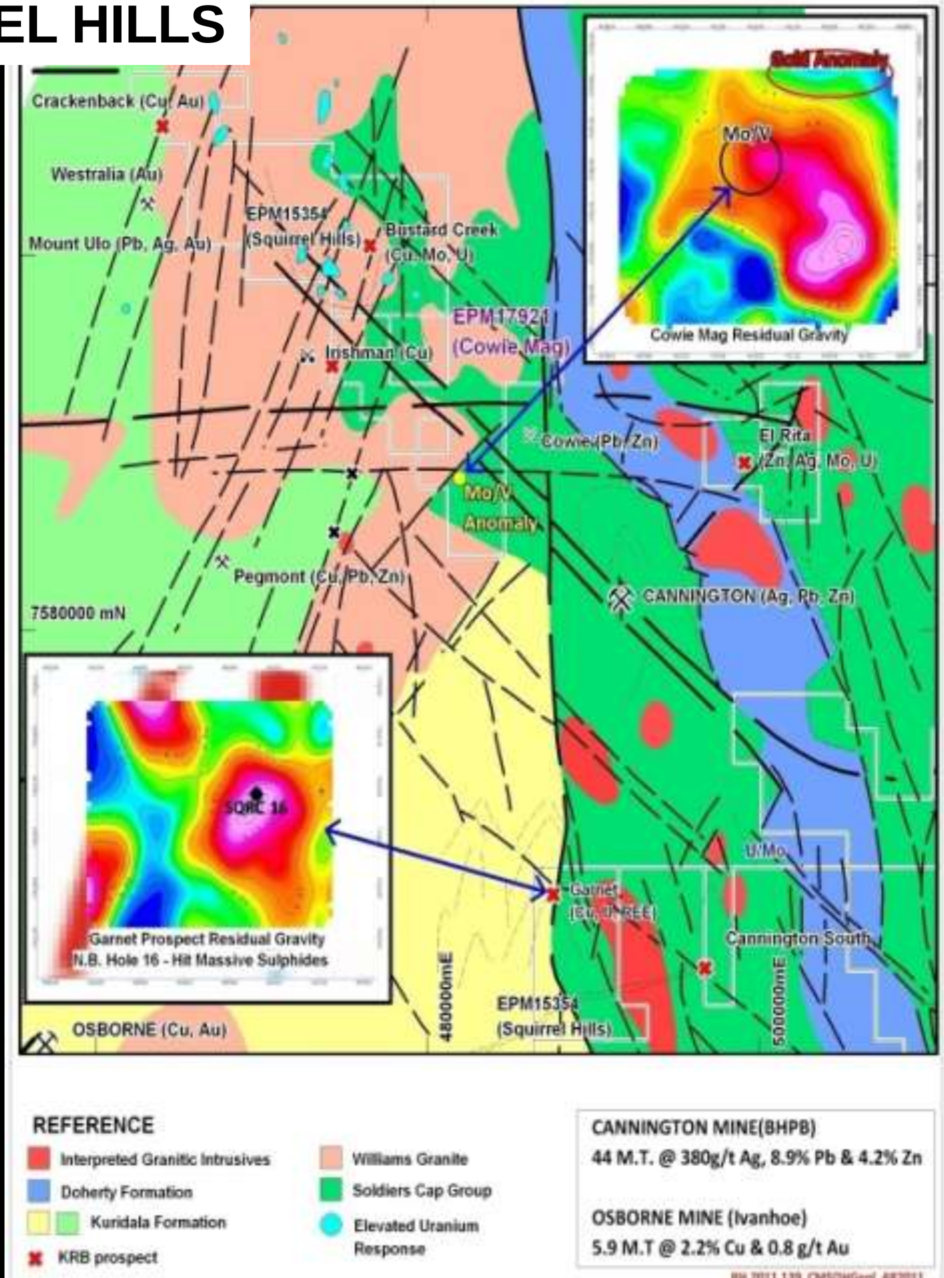
Pilgrim Fault Prospect on Regional Government Magnetics

Chalcopyrite/ Pyrite found in diamond core from recent drilling at Pilgrim.

SQUIRREL HILLS



Squirrel Hills EPM15354 Garnet Prospect Tilt Magnetics with Residual Gravity Anomalies and Krucible Drilling

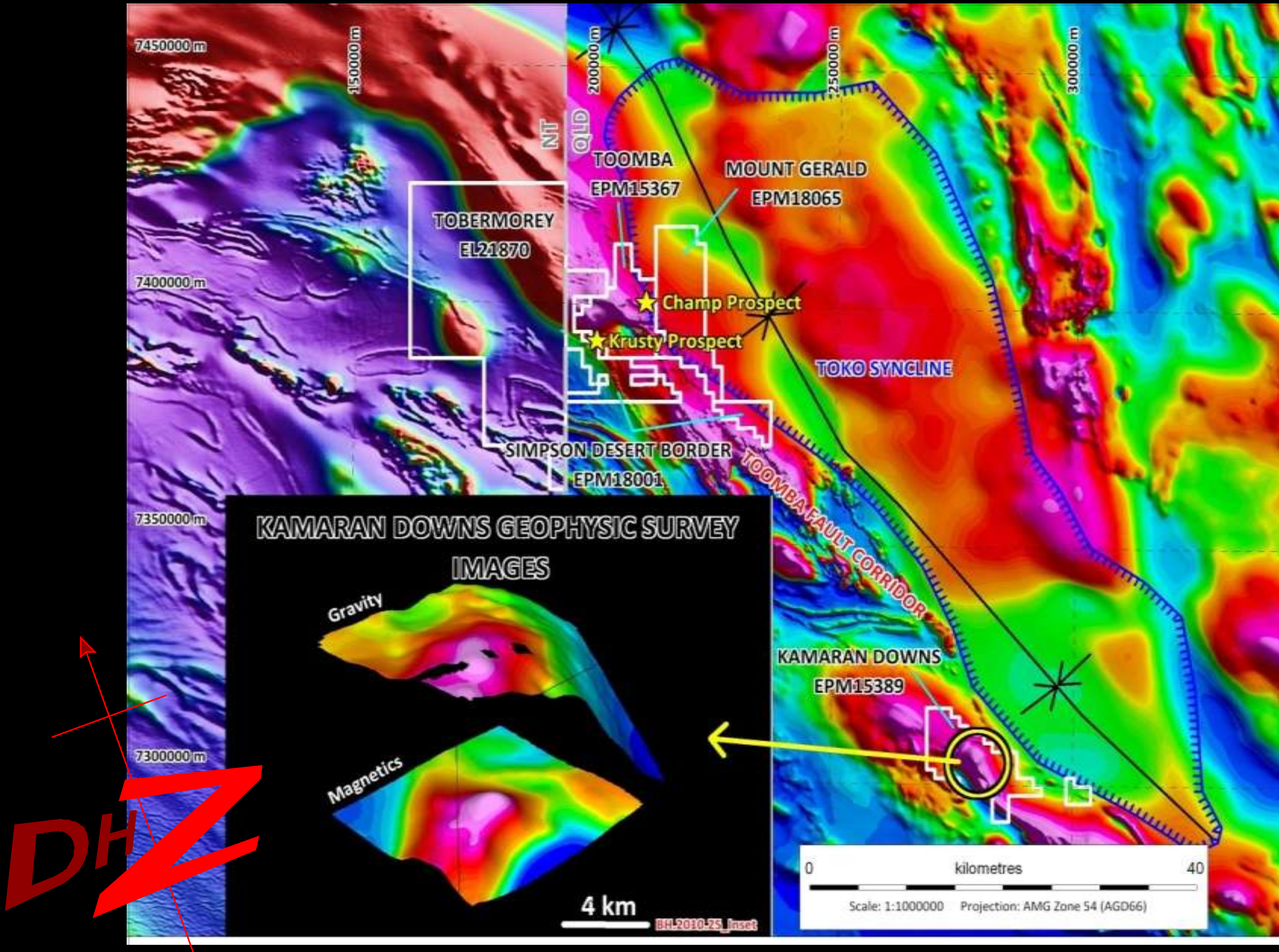


Squirrel Hills and Cowie Tenements - Interpreted geology & mineralisation (Showing Garnet and Cowie Gravity Anomalies)

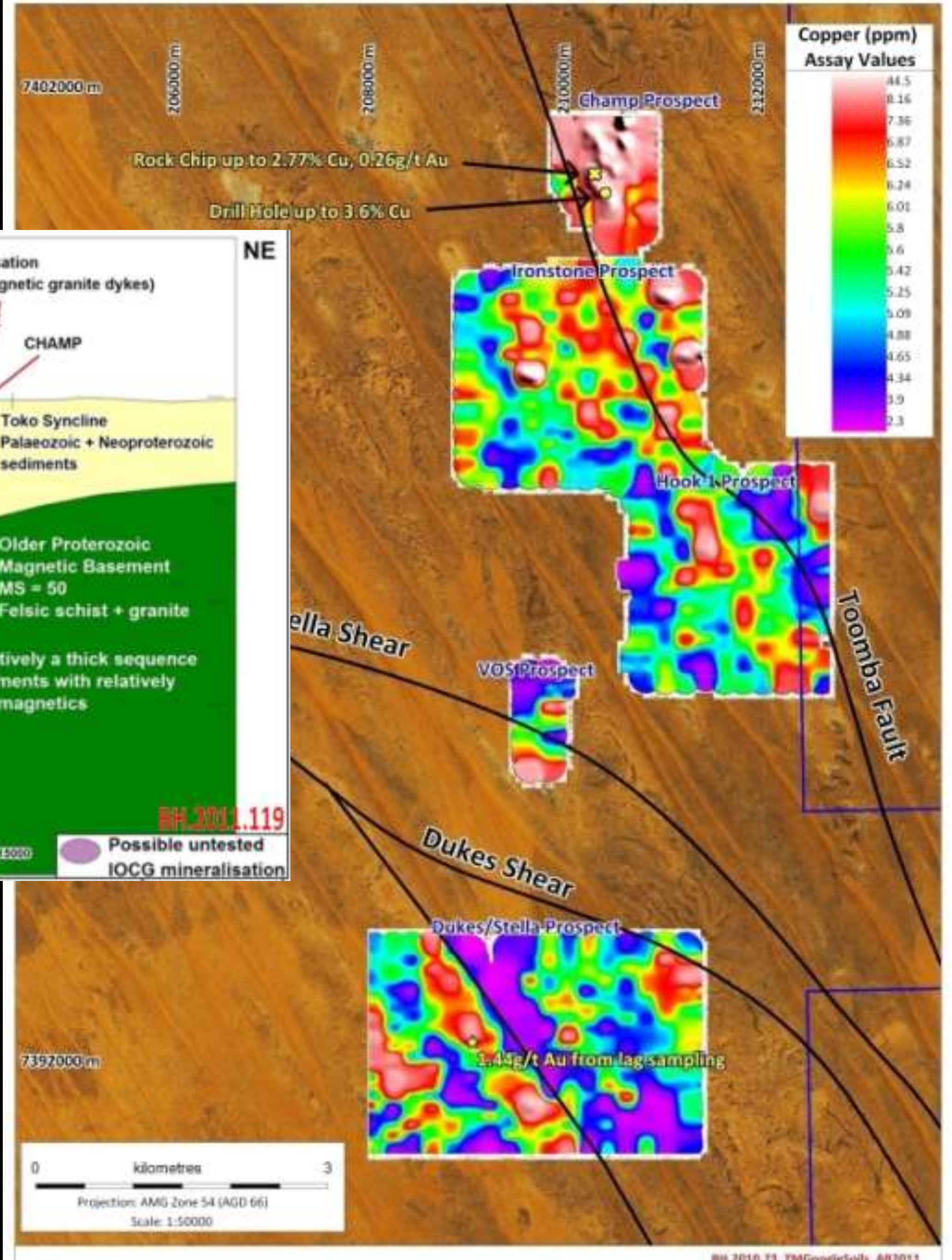
DIAMANTINA / SIMPSON DESERT SUMMARY – (DHZ) COPPER/GOLD

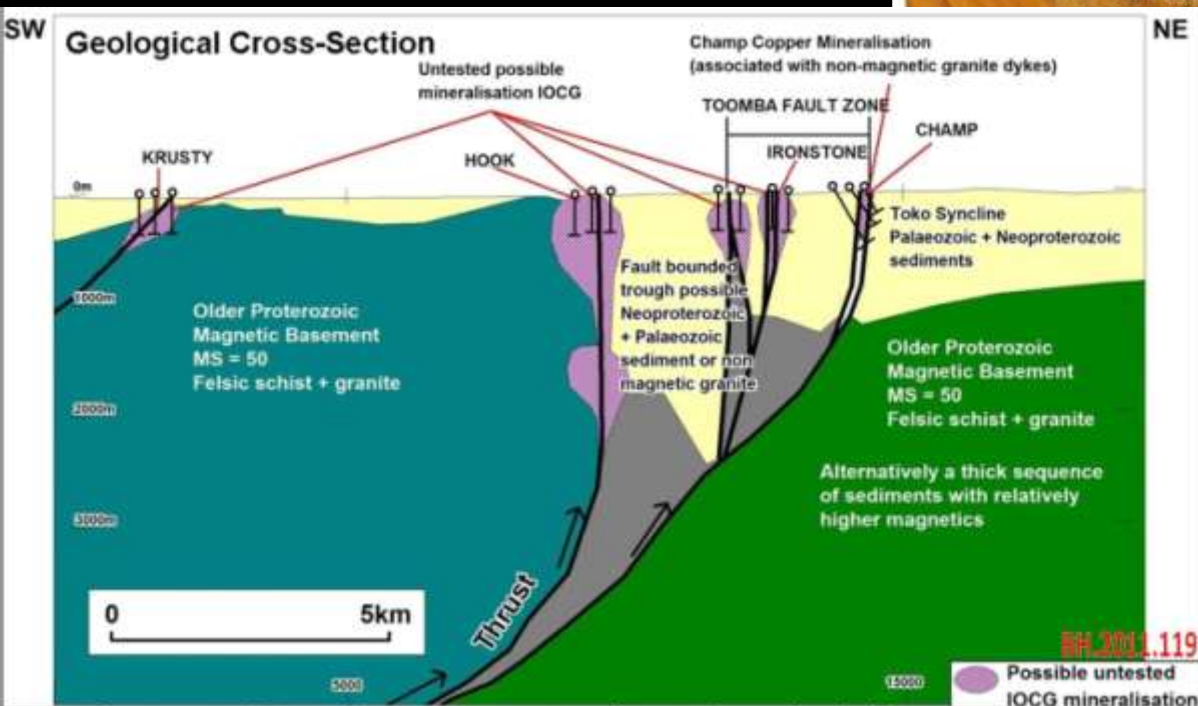
- Major structure (Toomba Fault) & Craton Boundaries - Prospective for large scale IOCG & orogenic Gold mineralisation
- ‘Frontier” desert terrain (c.f. Tanami, Gawler) where very little previous mineral exploration has been carried out
- Krucible has identified large tracts of shallow basement suitable for modern geochemical exploration
- Krucible has intersected primary & secondary copper at shallow depths from 1st pass drilling
- Exploration in 2010 & 2011 curtailed because of BIG WET seasons
- QLD Government has granted drill initiative subsidies (2011/12) for Toomba & Kamaran Downs

Diamantina –Exploration Prospects with Kamaran Downs Geophysical Survey



Toomba EPM 15367 Copper Soil Sampling Results on Google Image





Toomba EPM 15367 – Champ Prospect schematic geological cross section showing drill targets

WHAT NEXT FOR KRUCIBLE?

- Complete prelim Rare Earth (Yttrium) metallurgy at Korella
- Drill program at Garnet to further test semi-massive sulphide zone – 2011 (?)
- Advance grant of Korella mining lease
- Advance Isa South Cu/Au Prospects for drill testing
- Further negotiations on Funding for Korella - Bulk Sampling and possible Mining in 2012
- Continue definition of near surface HREE occurrences near Korella (DRILL TEST IN 2012)
- Complete Scoping Study for REE at Korella – examine funding & processing options
- DRILLING in DIAMANTINA in 2012

WHY INVEST IN KRUCIBLE?

LEVERAGED FOR SUCCESS IN DEVELOPMENT & EXPLORATION

- Properties mainly 100% owned
- Tightly held capital structure (current 66.4m shares – directors hold 12%)
- Diversified commodity range – withstand vagaries of commodities market?
- Focussed Target Area – Greater 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 policy
- Predicted news stream of results in next 6 – 12 months
- Likely cash flow in future

Krucible Metals Ltd