



KRUCIBLE METALS LTD

Mineral Discovery Company

ABN:12 118 788 846 ASX Code: KRB

ASX ANNOUNCEMENT DRILLING PROGRAMS COMPLETED AT KORELLA & PILGRIM

About KRUCIBLE

Krucible Metals Ltd is a diversified, Australian owned minerals explorer with a proud discovery history. The main focus is western Queensland. The company has 62.6 million fully paid shares on issue – the stock is tightly held with the top 20 holding 55.8%. The directors hold about 15.8%. All of the tenements (except one) are 100% owned by Krucible.



Drilling for Yttrium at Korella in open grassland

Its Korella Phosphate & Rare Earth Inferred Resources are immediately adjacent to the fully integrated fertiliser plant at Phosphate Hill near Mt Isa Queensland.

Depending upon economic feasibility, Krucible aims to undertake trial mining then upscale production from late 2012.

Also Krucible discovered virgin Copper mineralisation by drilling conceptual targets. The next phase of drilling for 2011 will be guided by 3D geological & geophysical modelling to test for potentially large and high grade Copper orebodies.

31st AUGUST 2011

The directors of Krucible Metals Ltd are pleased to announce that R.C. percussion drill programs have recently been completed at Korella and Pilgrim in NW Queensland (see **FIGURE 1**).

Korella (EPM 15572 & MLA 90209) is 100% owned by Krucible whilst Pilgrim (EPM 15072) is a Joint Venture with Deep Yellow Ltd (DYL). Krucible has earned 80% equity in this tenement and can move to 100% ownership by issue of 1.2 million fully paid KRB shares to DYL.

Further details on the Korella and Pilgrim Projects are outlined in the ASX June Quarterly Report released on 28th July 2011.

Following is a brief summary of the drill programs – a full report will be released after all analytical results are received (3 to 4 weeks).

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KRUCIBLE BOARD

Tony Alston – Managing Director & Acting Chairman
Dennis Lovell – Non-Executive Director & Company Secretary
Ray Koenig – Non-Executive Director



KORELLA

An R.C. percussion drill program was carried out with the objectives of;

- Obtaining sufficient samples for comprehensive Rare Earth Element (REE) metallurgical test work, as well as further samples for phosphate test work
- Increasing the Rare Earth/Yttrium Oxide Inferred Resource. Previous drilling has outlined a JORC Inferred Resource of **4.2 million tonnes @ 0.96kg per tonne Yttrium Oxide (Y₂O₃)** (NB – 2km strike length and average depth of 25 metres) in the EASTERN PHOSPHATE / REE ZONE.

A total of 47 holes were drilled for 2,096 metres (average 47m).

5 R.C. percussion holes for 167 metres and 3 air core holes for 167 metres were drilled for metallurgical samples in the EASTERN ZONE.

39 R.C. percussion holes for 1828 metres were drilled in the WESTERN REE ZONE (see **FIGURE 2**) – these holes tested only about 2.0km of the prospective 4.7km strike length at drill spacings of 200 x 200 metres and 200 x 400 metres.

It is anticipated that this drilling will add to the current Inferred Resource but it must be emphasised that the Rare Earth deposit will not have any value until metallurgical processes for economic recovery can be demonstrated.

Analytical results for the drilling are expected in 3 to 4 weeks and an Inferred Resource update for REE / Yttrium Oxide in 5 to 6 weeks.

PILGRIM SOUTH (VAM Prospect)

A total of 18 shallow / “scout” R.C. percussion holes for 402 metres (average 23 metres) were drilled at the **VAM Prospect** to test a number of Gold soil anomalies as well as magnetic targets in an area where outcrop is generally obscured by a thin veneer of soils and gravels (see **FIGURES 3 & 4**).

This area is of particular interest because it is located 5km SSE of the historic high grade Tick Hill Mine which produced 511,000 ounces of Gold from 706,000 tonnes mined (0.72 oz per tonne or 23g/t Au).

The geological setting at **VAM** is considered to be analogous to that at Tick Hill (biotite schist footwall and calc-silicate/quartzite hanging wall).

Results for this first stage reconnaissance drilling are expected in 3 to 4 weeks.

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Attached: FIGURES 1-4

Tony Alston
Managing Director
Krucible Metals Ltd.

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

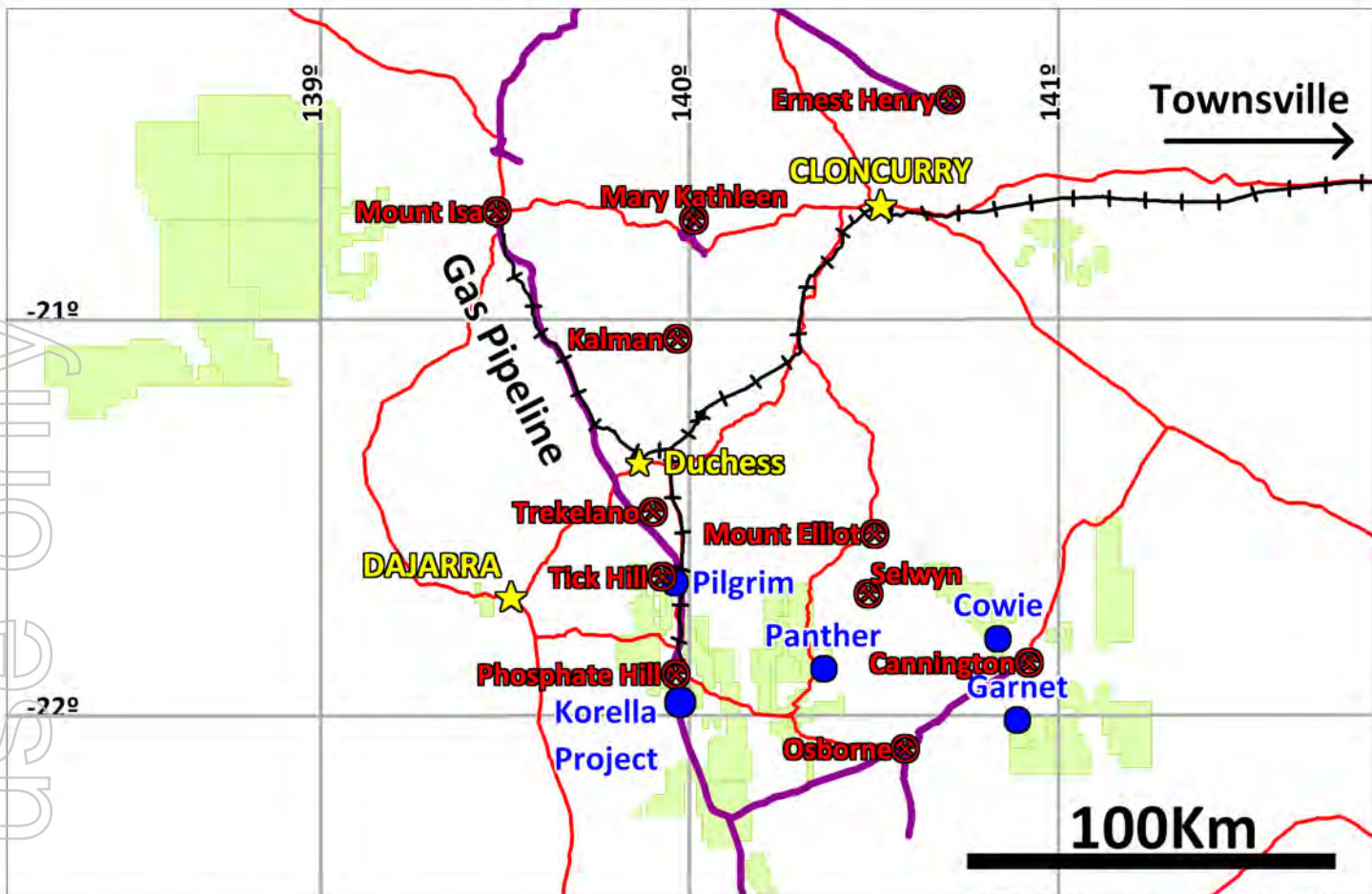
WEB SITE: www.kruciblemetals.com.au

Information of a scientific or technical nature in this report was prepared under the supervision of A.J. Tony Alston, CEO and Chief Geologist of Krucible, who is a member of the Australian Institute Geoscientists and the Australian Institute of Mining and Metallurgy. Mr Alston has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity he is undertaking, to qualify as a "competent person" as defined in the 2004 edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Alston has reviewed and approved Krucible's quality assurance program, quality control measures, the geology, samples collection and testing procedures the basis for information contained in this report. For further information regarding the Korella Deposit (PHM South) discovery please refer to reports and releases to the Australian Stock Exchange over the last 18 months together with the Company's website at www.kruciblemetals.com.au

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

Mr Alston consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.

Information in this Announcement relating to the Korella Deposit Scoping Study and preliminary Rare Earth metallurgical investigations have been documented by Mr Ray Koenig, who is a Senior Project Metallurgist and Chartered Professional and Fellow of the AusIMM. Mr Koenig consents to this information being included in the ASX Announcement.



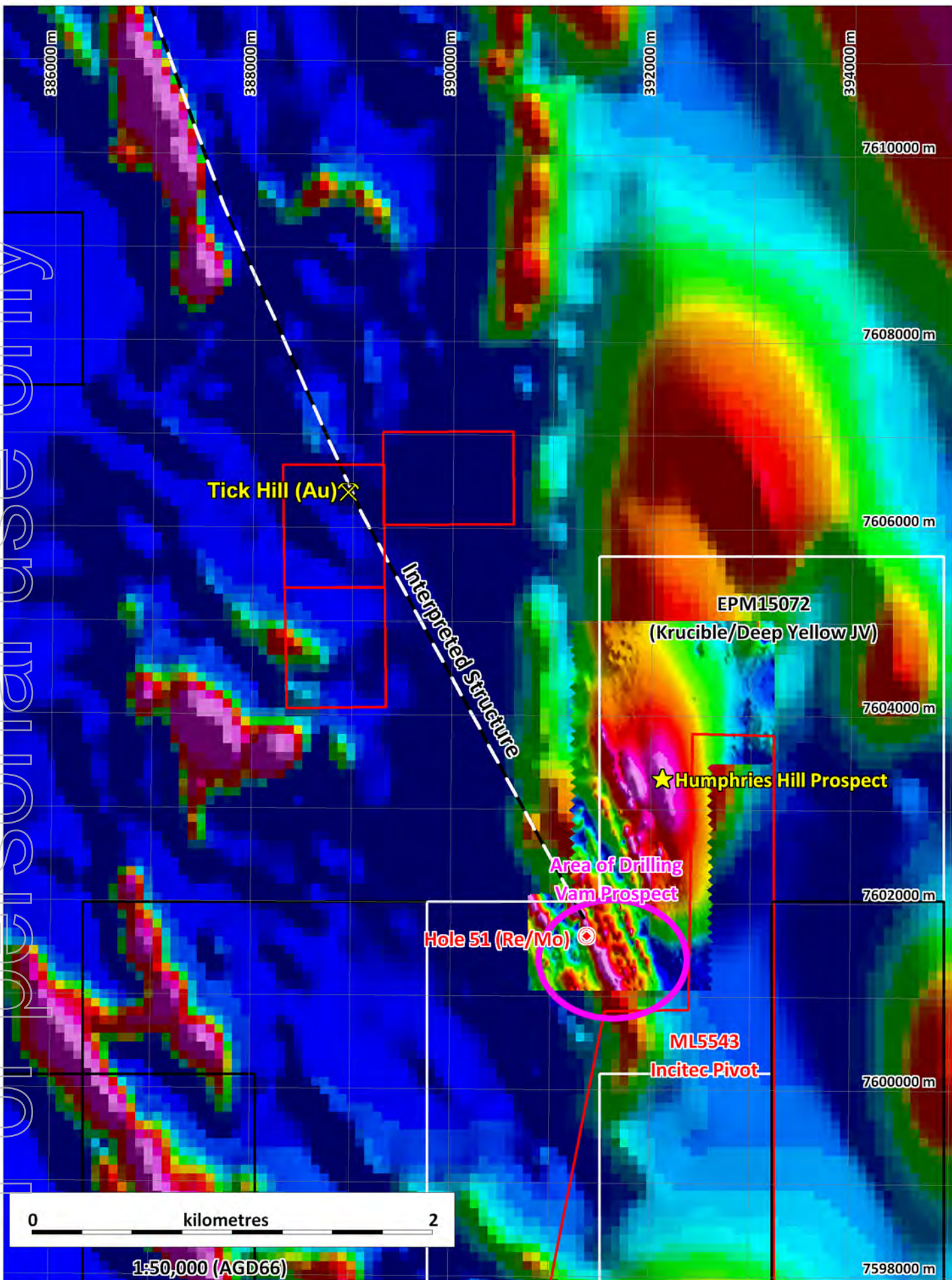
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Isa South Showing Mines and Infastructure
 Krucible EPMs (green) Prospects (blue)

FIGURE 1

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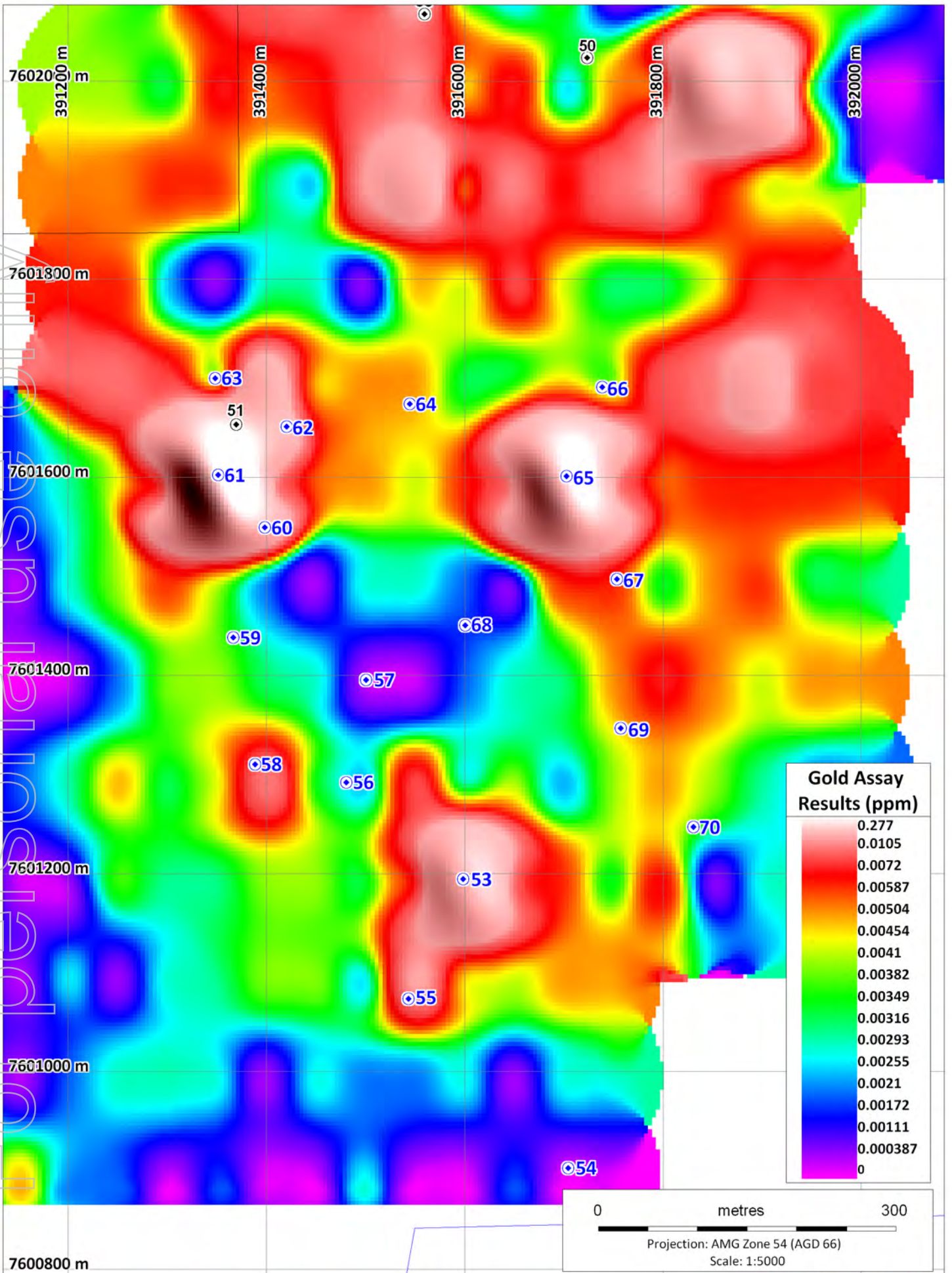
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Pilgrim Fault EPM15072 Government Magnetics and area of Drilling

FIGURE 3



Pilgrim Fault EPM15072 August Drilling Hole Locations on Gold Soils

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FIGURE 4