



15 October 2014

ASX Limited  
Exchange Centre  
20 Bridge Street  
Sydney NSW 2000

### **UPDATE TO NOTICE UNDER s249D OF CORPORATIONS ACT**

As announced on 11 September 2014, Krucible Metals Limited (**Krucible** or the **Company**) received a notice under s249D of the Corporations Act 2001 (Cth) (**Corporations Act**) from Dr Leon Eugene Pretorius (**Pretorius**) that sought to convene a general meeting of the Company to consider the following resolutions:

1. Removal of Mr Allan Branch as a director
2. Election of Dr Leon Pretorius as an executive director

Krucible subsequently advised on 1 October 2014 that the Pretorius resolutions are to be put to shareholders at the Company's Annual General Meeting (**AGM**), to be held on 11 November 2014. Information regarding the Pretorius resolutions, as well as other items of business, were included in the AGM notice of Meeting (**NOM**).

The NOM also included a statement from Krucible's "Independent Directors", being its directors other than Allan Branch, who are not subject to removal resolutions.

Krucible now wishes to further advise that, on 3 October 2014, the Company received a letter from Pretorius' solicitors alleging that statements by Krucible's Independent Directors included in the NOM included false and misleading statements concerning Pretorius. In particular, the statements complained about, are the following:

1. *"The fact is, on more than one occasion, Dr Pretorius has approached your company for personal financial gain".*
2. *"He has also brought to your company on occasion potential corporate acquisition or joint venture opportunities, for which he had sought remuneration had the said transactions proceeded."*
3. *"Each opportunity has been one with Dr Pretorius as an interested party, and it is questionable if they are genuine opportunities that match Krucible's strategy, or opportunistic attempts to risk your company's funds to investment speculation."*
4. *"It is noted that, each and every time Dr Pretorius has brought such opportunities to our attention, the opportunities were appropriately investigated. However, so far, none have met the board's stringent criteria."*

Pretorius says that he has never had any personal interest in any project introduced to Krucible. Thus, his solicitor states in the letter:

*"In fact and in truth, our client has only introduced one potential corporate opportunity to your client and that was in late August 2014 where our client introduced Mr Sean Kelly to a corporate broker at a large stockbroking company who had a mandate over a privately owned graphite project with a JORC Code Resource. Our client at no stage sought remuneration for this introduction from your client, had equity or other interest in the project and stood to earn any fee from it."*



The solicitor's letter then demands a retraction and apology from the Independent Directors, “...*failing which our client will take such steps against these directors of your client, as he is in the circumstances, advised.*”

Krucible believes that in the light of the threat of legal action against its Independent Directors by Pretorius, the following information has been put into contention by him and should therefore be disclosed to shareholders, as it further elucidates the statements made by its Independent Directors in the NOM:

1. On 17 January 2014, just days after Krucible announced that it had received more than \$12 million from an asset sale, Pretorius wrote to Krucible, requesting an executive position for himself, to which, he offered to forward and did forward his CV for consideration.
2. On 2 June 2014, Pretorius, in a letter to the Company, stated that he was aware of a confidential acquisition target Krucible had evaluated but rejected, as a basis for threatening to call an EGM to remove directors, apparently on the basis that he did not agree with their decision. The Company does not know, but is concerned how, Pretorius came into possession of this confidential information.
3. On 27 August 2014, Pretorius contacted the Company to discuss an opportunity he wished it to consider. He suggested a success fee of \$200,000 would be appropriate for the introduction. For the record, the opportunity was evaluated, but did not meet the Company's publically available acquisition criteria, as among other things, it was too early-stage.

Having regards to the above, which facts speak for themselves your Independent Directors stand by the statements made by them in the NOM and see no need for it to retract their comments or make an apology to Pretorius. They will not be doing so.

Moreover, the fact that Pretorius is threatening legal action against the Independent Directors he wishes to join on your Company's Board, provides stark illustration to Krucible shareholders, in the opinion of your Independent Directors, why the resolutions Pretorius has put forward, should be overwhelmingly rejected.

For further information please contact:

Allan Branch

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Krucible Metals Ltd

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**About Krucible Metals Limited:**

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 rare earths as well as other elements. Krucible continues to explore for precious metals, base metals and strategic metals, and is transitioning to a combined exploration and mining company. Krucible has plans and expectations to ultimately enter joint ventures to develop mines on its tenements in the mineral rich Mount Isa area of Northwestern Queensland. Krucible has a strong industry-based board and management, who promote aggressive value-added mining projects.