

# Krucible Metals Limited

## Corporate Development Opportunities For Investors

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Information of a scientific or technical nature has been prepared with the approval of Andrew Vigar. Mr Vigar has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify him as "competent persons" as defined in the 2012 edition of the "Australasian Code of Reporting of Exploration Results, Mineral Resources and Ore Reserves". The technical material is generated and prepared by Bridgette Humphries, the company's Senior Geologist, who also has 5 years hands-on experience in the Krucible tenements and resources and is in the process of becoming our competent person. Information of a corporate, industrial or financial nature in this report has been prepared by Allan Branch the company's Managing Director and CEO.

For further information please refer to reports and releases to the Australian Stock Exchange together with the Company's website at [www.kruciblemetals.com.au](http://www.kruciblemetals.com.au).



## WHAT IS A JUNIOR EXPLORER?

Let's get back to basics

What is a junior explorer?

A junior is the earliest stage, riskiest, most exciting mining investment

It is a company with no revenues

Juniors have no profits because they have no revenues

All funding comes through risk investment from capital markets or private investment

So in that regard a junior is like a venture capital startup

The pay off is when and if something is discovered, and commercialised

Like all entrepreneurial startup companies juniors are small, technology heavy, flexible, reactive, have creative management

Shareholder reward is share price increase when something is discovered, not in dividends, which come out of profits

Until something is discovered, share prices typically decrease in proportion to the cash assets

*(Picture is drilling at Tobermorey September/October 2014)*





## WHY INVEST IN A JUNIOR EXPLORER?

Juniors are speculative investments

The reward is huge when and if something big is discovered

Share price is expected to go down until a discovery is made

No dividends

Spread risk across a mixed portfolio

Personal investments are meant to be small due to risk of losing everything

Take a long term position

Follow market trends

Volume (with MA) [200]

Back management

Back technical team

Back tenement base

Back continuous disclosure

*(Picture is share price of Sirius Resources showing an example of results when a "sirius" discovery is made)*



## WHAT IS KRUCIBLE METALS LIMITED?

Krucible started as a typical junior

Low cost: inexpensive Townsville premises, financial cost control

Emphasis on exploration

It is small: 4 staff, 4 directors, 4 advisors

Responsive to commodity markets: uranium, phosphate, rare earths, strategic metals, base metals, precious metals

Highly geology oriented: more than 50% are technical

Highly prospective tenements

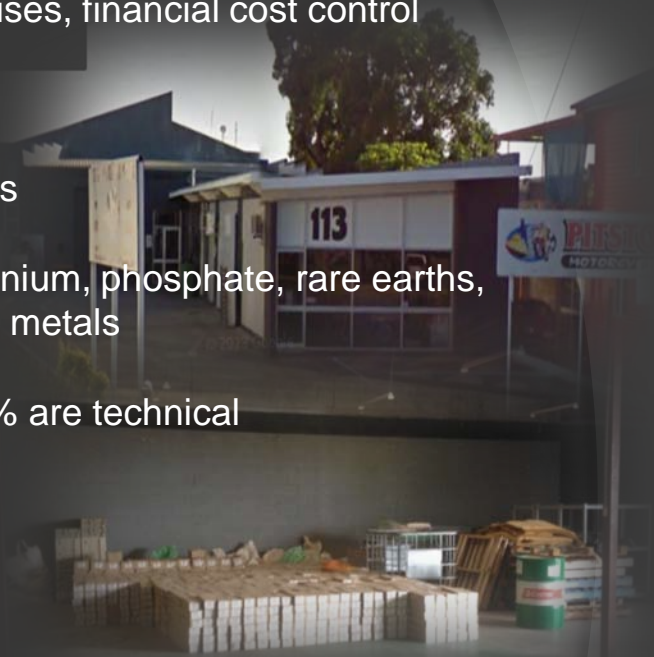
Entrepreneurial management

Reactive to market conditions: initial public offering in buoyant market, fund raising during depressed market, asset sale, equity investment

Made discoveries, was granted a mining lease, developed a mine plan and a scoping study

Made new discoveries: Valroy, Tobermorey

*(Pictures are of Krucible's low cost offices and warehouse in Townsville)*





## WHAT ELSE IS KRUCIBLE METALS?

Krucible is in some ways not a typical junior

40% of juniors have struggled to deal with the mining industry's biggest challenge since the Great Depression of 1929

Instead Krucible has survived by bringing all the skills of the team to achieve exceptional results

In early 2012, Krucible was essentially out of funds and had about 4 months to survive

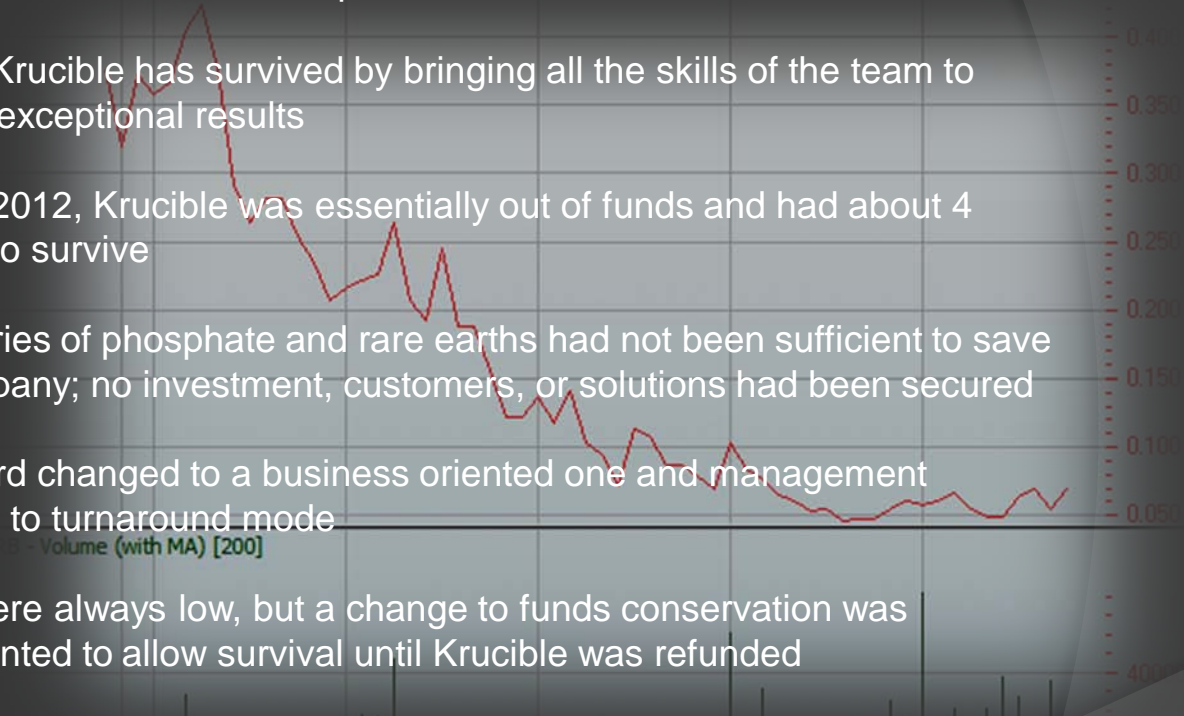
Discoveries of phosphate and rare earths had not been sufficient to save the company; no investment, customers, or solutions had been secured

The board changed to a business oriented one and management changed to turnaround mode

Costs were always low, but a change to funds conservation was implemented to allow survival until Krucible was refunded

In less than 2 years Krucible has now commercialised its phosphate assets, secured new equity investments, released free tradable options to shareholders, halted the share price decline, and implemented a new management plan to escalate company growth

*(Picture shows halting of Krucible's share price decline and careful recovery)*



## WHY INVEST IN KRUCIBLE METALS?

Krucible has achieved what few juniors have been able to achieve

Krucible has cash, a plan and its share price has risen 60% (4.4c to 7.0c) in 12 months

Krucible has great technical, management and governance teams with strong spirit, long term experience working together and high motivation

Krucible has proven discoveries, some this year already including copper just announced at Tobermorey

Krucible has proven it can commercialise its discoveries, for example by selling its phosphate for cash and now negotiating deals to develop its rare earths

Krucible has sufficient cash to fund around 5 years of intensive exploration on its tenements

Krucible has a revolving tenement portfolio, with new additions in 2014 and releases of non prospective ground.

Krucible has an innovative three part corporate development plan: aggressive exploration using the cash reserves, acquire a revenue generating miner using scrip, convert the rare earths discoveries to additional wealth using a strategic partner

*(Pictures shows 30% growth in Krucible's share price this financial year compared to 20% decline in the junior space)*





## THE REAL REASON TO INVEST IN KRUCIBLE METALS

But really, the real reason to invest in Krucible is because it has arguably untapped value at the current share price

In other words it is probably a bargain

And there are not many bargains out there

It has one of the most interesting corporate growth plans of any junior

It is on its way to duplicating the success of its phosphate sale with a rare earths deal and there is possibly copper coming along behind that

Will continue to have revenues and potentially regular dividends once its M&A plans are realised

Will still have the high reward high risk potential of significant discoveries through its ongoing exploration program

It took 2 years to commercialise Krucible's phosphate and save the company from collapse, these next stages will probably take as long

So it is a long position like all junior explorer investments

*(Picture shows hands-on field work, lag and soil sampling)*





## KRUCIBLE'S SHARE PRICE IS NOT LOW

Krucible has \$11m in cash and its share price at \$0.07 values the company at \$7million assuming that all options would convert

Krucible's share price is not low, it has grown 60% in the last year (\$0.044 to \$0.070), due to a growth plan implemented by the Company

The uncertainty and interruption caused by the Pretorius s249D petition in mid September created an instant drop in share price and market cap, but KRB shares have already recovered.

Krucible is held by a small number of original founding shareholders who control over 50% of the equity and who rarely trade

The previous largest shareholder has been selling off at low prices because he said he requires cash

Many day traders came in cheap on top of the asset sale in late January 2014 anticipating a quick dividend, and sold off cheap and just as quick

The fact is that the whole market is depressed and Krucible is performing twice as good as its peers, with the Metals and Mining Index (ASX:XMM) down 20% and KRB up 20% in the last 6 months, and volume has tripled since Allan joined the Company

*(Picture shows historical KRB chart against the mining index with KRB much better than the average)*

KRB - Volume (with MA) [200]



## A SHORT HISTORY OF EVERYTHING



Listed in 2007 on ASX:KRB, office in Townsville, Queensland, Australia

Junior Explorer with tenements mostly in western Queensland

Indications of base and precious metals 2008

Discovered phosphate in 2009 (Korella)

Discovered rare earths in 2011 (Korella)

Discovered more rare earths in 2011 (Coorabulka, Yttro)

Applied for first mining lease in 2011, granted in 2012



Initiated low cost rare earth processing R&D in 2012

Sold phosphate assets in 2013, cash reserves >\$12m

Initiated rare earths pricing analysis in 2013

REE anomalism widened at Coorabulka and Valroy in May 2014

Commercializing rare earth assets in 2014

Strategic M&A negotiations in 2014

Share price \$0.068, market cap AU\$6.8m, 80m shares, 20m options





## KRUCIBLE METALS TEAM



Sean Kelly, Non-executive Chairman, (Lawyer)



Ray Koenig, Non-executive Director, Project Manager for Korella Phosphate Project, (metallurgist, industry consultant)



Allan Branch, Managing Director and CEO, (industry and global experience)



Mike Meintjes, Company Secretary, accounting consultant, (B Commerce with Honours, CA, 27 years industry experience)



Andrew Vigar, Non-executive Director, Technical Advisor (geologist, industry consultant, JORC Competent Person)



Bridgette Humphries, Senior Geologist, (graduate geologist, 6 years experience with Krucible)



Mike Eisenhut, Senior Field Officer, (business graduate, 5 years with Krucible)

Kate Hopkins, Administration Officer, finance officer, office manager, tenement compliance, ( 6 years with Krucible)



# KRUCIBLE'S CORPORATE STRUCTURE





## KRUCIBLE EXPLORATION ACTIVITIES

Of Krucible's 15 tenements, 2 are still applications and the others mostly greenfield. Krucible has conducted field exploration on 9 of the sites since receiving its exploration budget at the beginning of February 2014 including aerial geophysics, and phytochemical exploration. Krucible has also managed the progression of three new applications, dropped some and selected 2 new tenements (Valroy and Mulya).

### Granted Tenements

EPM Name	EPM No.	Date of Grant	Notes
Toomba	15367	26/02/2007	CCA, negotiations complete, phytochemical exploration, drilling next
Kamaran	15389	12/03/2007	CCA being negotiated, drilling planned
Squirrel Hills	15354	29/03/2007	
Toolebuc	19027	8/05/2012	
Flemington Fault	19099	25/09/2013	First field trip June 2014
Lukes Plot	17613	20/10/2010	Aerial geophysical survey planned
Cowie Mag	17921	20/10/2010	Field trips in late 2013, and scheduled for mid July 2014
Big Toby Creek	19095	5/12/2013	First field trip in June 2014
Coorabulka	19286	5/12/2013	REE, Sr. Important strategic tenement for 2014 with field trips completed in May 2014.
Tobermorey	28170	5/04/2011	Aerial geophysical survey finished July 2014, drilling underway. Copper discovered October 2014
Valroy	25126	29/01/2014	First field trip completed in May 2014.
Tertiary	19717	27/05/2014	Field trip Scheduled completed mid July 2014
Mosses Bore	25487	11/09/2014	Application newly granted

### Tenement Applications

EPM Name	EPM No.	Date of Application	Notes
Whealers Creek	19475	7/12/2011	Progressing application
Mulya	25771	23/09/2014	New application
Lily Hole Creek	19090	24/02/2011	Sold to ANB (under care and maintenance by KRB)



## KRUCIBLE RARE EARTHS ACTIVITIES

Following a dramatic tenfold increase in the value of rare earth elements (REE) in 2011, Krucible invested in exploring, discovering and developing its rare earth projects.

Disclosures via the ASX of work at Coorabulka, Yttro and Valroy, including a JORC inferred resource at Korella (owned by ANB)

Rare earth prices have returned to earth since then, but with significant resources expended by Krucible in the past, it is prudent for the Company to at least do its best to commercialise its rare earth activities.

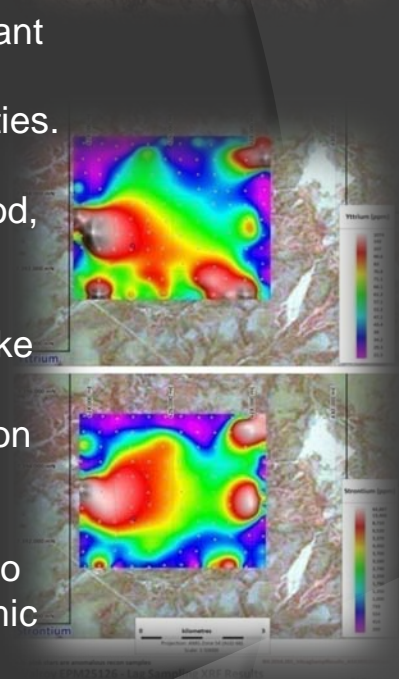
Krucible discovered that the rare earth sector was not well understood, even by veteran analysts.

Nevertheless, rare earths are on everyone's agenda and countries like Japan and the USA, as well as the European Union have created organisations to develop strategies to avoid risk and dependence on China for supply.

So Krucible committed to a strategy of unprecedented innovation to avoid the pitfalls of other players, including ground breaking economic analysis, world wide promotion and revolutionary new processing technology research.

Total additional cost has been less than \$50,000 and discussions under confidentiality are already underway with one party

*(Pictures of rare earths nodules on surface at Coorabulka and 2014 lag sampling results from Valroy.)*





## KRUCIBLE M&A ACTIVITIES

Krucible has an agenda of identifying and securing a suitable acquisition, or merger, or partnership, or any appropriate deal

Krucible sees this plan as essential to prevent the Company again being at risk of insolvency and losing all shareholder investments as it was in early 2012

Such an acquisition will be used to ensure ongoing cash flow to fund its anticipated exploration needs into the medium term and potentially to allow regular dividends to shareholders

Krucible has generated a profile of the ideal target acquisition, with approximately 10 boxes to tick. Such things as location, mineral type, company size, and financial position

The Company has also received interest from, and expressed interest in, some possible deals outside these boxes

Krucible has promoted its interest of an acquisition in the media, ASX announcements and at conferences

So far almost 50 M&A targets have been evaluated, with some offers made to suitable ones, but so far with those offers being rejected

*(Picture is field due diligence typical while negotiating merger, acquisition, joint venture or other deals)*





## KRUCIBLE SUMMARY

Krucible has survived the industry downturn and is a “modern” innovative company with three key activities:

- Exploration
- Merger or acquisition of a revenue generating miner
- Commercialising rare earths

Exploration is proceeding rapidly with an annual budget of \$2m for 5 years:

- 9 of 11 greenfield tenements have had field trips so far this year (1 per month)
- 1 existing tenement with innovative biogeochemical research
- 1 aerial geophysical survey
- 2 applications progressing
- 1 caretaker tenement for ANB
- 2 new tenements being added in 2014

Negotiating merger or acquisition or joint venture deal:

- 50 companies analysed and ongoing
- 5 company offers rejected by Krucible
- 2 companies, offers have been made by Krucible, but rejected by them
- Others rejected as not suitable by Krucible

Commercialising rare earths:

- Discussions with USA, European, Asian and Australian entities
- Pricing analysis
- New low cost processing technologies
- Korella ready to go on existing infrastructure
- Global promotion at conferences, publications, media

*(Picture is posting at Krucible's first mining lease application at Korella in 2012)*





# Krucible Metals Ltd



## Thank You