

KRUCIBLE METALS LIMITED

ABN 12 118 788 846

26 February 2015

Australian Securities Exchange
Exchange Centre
20 Bridge Street
Sydney
NSW 2000

CORPORATE UPDATE

Krucible Metals Limited (**Krucible**) (**Company**) (ASX: **KRB**) is pleased to provide the following updates regarding the Company, and its direction, following developments made by the Company since its change of Board and Management in November 2014.

1. The Board, after considering the appropriate capital structure for KRB going forward, has come to the conclusion that a return of capital to shareholders of \$0.05 per share (**Return**) is appropriate. The record date to be eligible to receive the Return and further details regarding the proposed Return will be contained in the Notice of Meeting (**NoM**) setting out the resolution to be put to shareholders to approve the Return. The NoM is expected to be completed within the next 30-45 days.
2. The Board, Management and consultant have completed a review of KRB's exploration tenements and while it has been established that there are some projects which may attract Joint Venture partners, the majority of the tenements have been sufficiently explored to the point that the Company cannot warrant any further exploration expenditure. The Company intends to relinquish these low prospectivity holdings as soon as possible after all statutory requirements have been met, including rehabilitation. This evaluation has brought rise to the Board resolving to write off the balance of the capitalised exploration and evaluation expenditure costs resulting in an impairment charge of \$2,735,675 as at 31 December 2014.
3. The Board has examined a number of potential new project acquisitions under Confidentiality Agreements that could be suitable for the Company to make better use of its cash at bank and new management skills. These potential project acquisitions have now been narrowed and the Company is assessing one Australian natural resources project in more detail. Discussions with the vendors of this potential acquisition project remain confidential, incomplete and non-binding and the Company will update the market should any further progress be made.
4. The Company is pleased to announce the appointment of Mike Meintjes as the Company Secretary. Messrs Lovell and Puckridge have resigned as joint Company Secretaries and will both remain as Non-Executive Directors.
5. The Company has reduced all term deposits to less than 3 month periods so that cash is readily available for the proposed capital return to shareholders and potential project acquisition

opportunities. In addition the Company has paid out all vehicle and equipment lease agreements and has placed the recently purchased head office premises located in Townsville on the market for immediate sale.

For further information please contact Josh Puckridge - Mobile 0452 440 100

For, and on behalf of, the Board of Directors,

Dr. Leon Pretorius

Executive Chairman

Krucible Metals Limited

26 February 2015

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