

SE News
HD **Krucible cash funds drive for discovery**
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THE **sale** of phosphate tenements in northwest Queensland has Townsville-based explorer Krucible Metals cashed up to search for that next big discovery.

The **company** is also researching new biogeochemical exploration technology and looking to commercialise more of its discoveries as part of a strategy to avoid a repeat of 2012 when a looming cashflow crisis threatened its survival Krucible struck phosphate when it was looking for **copper** and **gold** at the Korella tenement 150km south of Mount Isa in 2008.

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After attempting a joint venture to mine the small but high grade resource of about five **million** tonnes at 30.8 per cent phosphate, Krucible negotiated the **sale** of the Korella lease and other tenements to **Chinese**-backed Australia New Agribusiness and Chemical Group for just over \$12 **million**.

Krucible also found rare earth element yttrium in the overburden at Korella for which it retained first right of refusal to joint venture its development.

Krucible announced this week a bonus options proposal to reward loyal shareholders but at the same time avoid draining the **company** of cash needed to fund its exploration.

Krucible managing director Allan Branch believed the proposal struck a good compromise.

"While it has been discussed in open forums that a cash dividend might be viewed favourably by the market, an equal number of comments have recognised the merit of keeping the **company**'s hard-earned cash in-house to contribute to exploration," he said in a statement to shareholders.

"Krucible is, after all, an explorer and the main interest from investors is to speculate on a big discovery." The **company** has allocated about \$2 **million** for exploration for this year and preparations are being made for its first field trip of the year to tenements in the Mount Isa region and areas straddling the border with the Northern Territory.

Krucible plans to issue bonus options to shareholders on the basis of one option for every four shares.

The options will have an exercise price of 5c and will have an expiry date of January 23, 2016.

A prospectus is being prepared with first trading in the options expected at the end of March.

Mr Branch said Krucible would implement strategies to ensure exploration budgets were protected well into the future.

It also intended to enter into acquisitions, joint ventures, mergers or any suitable project that would generate an alternative revenue stream. "Part of the rationale is to avoid another threat like the **company** faced in 2012 with a looming cash flow crisis," he said.

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