

Quarterly Activities and Cash Flow Statement

For the 3 months ending 30 June 2015 (**Period**)

KRUCIBLE METALS LIMITED

ABN 12 118 788 846

COMPANY OVERVIEW

Krucible Metals Limited (**Krucible**) (**Company**) (ASX: **KRB**) is a mineral exploration Company listed on the Australian Securities Exchange (**ASX**).

The Company has recently completed an assessment of its exploration interests in Queensland and the Northern Territory resulting in the decision to relinquish these exploration interests.

During the Period the Company announced the acquisition of the Torrington Tungsten and Topaz Exploration Project (as announced to ASX 15 April 2015), believed to have the potential to create significant future value for shareholders.

CAPITAL STRUCTURE AND CASH POSITION

The Company's summarised capital structure at 30 June 2015 is as follows:

Issued fully paid ordinary shares:	80,551,065
Listed Options (ASX: KRBO):	18,974,862
Unlisted Options:	1,500,000
Cash at Bank:	\$9.4 million

Shareholders and potential investors should review the Company's audited financial reports for the financial year ending 30 June 2014, half-year ending 31 December 2014 and review the Notice of Meeting dated 13 July 2015 to fully appreciate the Company's financial position.

CORPORATE ACTIVITIES REPORT

SHAREHOLDER MEETING

As announced on 15 June 2015 and in accordance with the notice of meeting dispatched to shareholders, a shareholder meeting is to be held on 14 August 2015 to:

- i. Approve a return of capital to shareholders of \$0.05 per share;
- ii. Approve the issue of 18 million shares as part consideration for the acquisition of the Torrington Tungsten and Topaz Exploration Project;
- iii. Approve the change of company name to TopTung Limited

AUSTRALIA TAXATION OFFICE CLASS RULING REGARDING CAPITAL RETURN

As announced on 15 June 2015 the Company has received a draft class ruling from the Australian Taxation Office (**ATO**) regarding the tax treatment of the proposed \$0.05 per share return of capital to Krucible shareholders and, on the basis of this draft ruling, the Board has determined that the return to shareholders will comprise solely of a Return of Capital with no portion being attributed to a dividend payment. The Return of Capital is not

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considered to be taxable income where the cost base of the shares held exceeds the amount of capital returned to shareholders.

CHANGE OF NAME

Following the announcement made on 15 April 2015 "Acquisition of Torrington Tungsten Exploration Project", the Company has resolved to change its name to **TopTung Limited** to be consistent with the Company's new exploration focus of Tungsten (and Topaz). Accordingly, the Company will also change its ASX code to **TTW**. These changes will be subject to shareholder approval at the forthcoming shareholder meeting.

EFFECT OF THE CAPITAL RETURN ON LISTED OPTIONS

As set out in the Notice of Meeting, the Company has Listed Options on issue with an expiry date of 23 January 2016 and an exercise price of \$0.05. In accordance with the Listing Rules, the Capital Return will result in the exercise price being reduced by \$0.05 and the exercise price of the listed options will consequently become \$0. After shareholder approval of the capital return holders of these Options may exercise them by simply completing an option exercise notice available from the Company's share registry's website (www.boardroomlimited.com.au), and will not need to pay anything.

PROPERTY SALE AND HEAD OFFICE

On 9 June 2015 the Company settled the sale of the property owned at 113 Boundary Street, Railway Estate, Townsville for a sum of \$545,000. The Company has entered into a short-term lease arrangement with the new owner.

The Company is planning to move the head office to Brisbane during August 2015. The new head office will comprise rented serviced office space in the Brisbane CBD with access to meeting-room and other services/facilities. Arrangements are in place to establish a field office with storage facilities in Torrington once exploration begins.

OTHER CORPORATE MATTERS

During the quarter the Company completed a project to amend and update its policies in order to comply (where appropriate) with the new recommendations arising from the issuance of the ASX Corporate Governance Principles and Recommendations (3rd edition). The revised policies are available on the Company's website at www.kruciblemetals.com.au.

The Company has also implemented a corporate and operational risk management framework. In anticipation of the commencement of work at the Torrington Tungsten and Topaz Exploration Project a number of operational procedures relating to OH&S, Community and Environmental Management have been drafted.

NORTHERN TERRITORY SUMMONS FOR UNAUTHORISED EXPLORATION AND DRILLING

The Company made announcements regarding the receipt of a summons on the 25th June and 22nd of July 2015. The Company has been granted an adjournment to appear in court until the 18th of August 2015 and the matter is ongoing.

Company management will continue to work with legal advisors to settle this matter and the Company will update shareholders as appropriate.

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TECHNICAL ACTIVITIES REPORT

TORRINGTON PROJECT

Exploration Licence (EL) Transfers: As announced on 10 July 2015, the NSW Department of Trade & Investment - Resources & Energy (Department) gave notice that the Minister has approved the transfer of EL 8258 and EL 8355 to Torrington Minerals (Pty) Limited which is a wholly owned subsidiary of Krucible Metals (both entities referred to as the Company)

The unexpected length of time these approvals have taken since entering into the acquisition agreement with Resolve Geo (Pty) Ltd (Resolve) to acquire the tenements will obviously cause delays in progressing all aspects of the project, as only once the transfer registrations have been finalised by the Department can the Company action the range of activities required to attain the necessary clearances and permits to commence physical exploration activities at Torrington.

Native Title: Although Resolve had previously received certain clearances for their ELs (specifically over the Torrington State Forest area) these were deemed to have lapsed or ceased due to certain subsequent events deemed as "future act" (Native Title Act 1993 No. 110, 1993 as amended: Part 2 Native Title Division 3 'Future acts etc. and Native Title'). This also means the "right to negotiate" or RTN process previously undertaken by Resolve lapsed. This means the RTN process will need to be followed by the Company again for any activities that are to be undertaken on land where Native Title has not been extinguished

Once the EL transfers are registered by the Department, the Company will lodge a request under s30 (Exempted Areas) of the Mining Act 1992 for the Minister's Consent to undertake the exploration activities which will trigger the RTN process unless it can be established that Native Title has been extinguished on the land in question. The latter is possible on freehold land but not within the State Forest and a Government-run process over the latter will be instigated that requires an approximate 6-month period to complete and only then can the other permit applications be lodged.

The Company has gone through the NSW Protocol and checklist for proof of extinguishment of Native Title on freehold land where it plans to conduct exploration and is awaiting the proof of extinguishment report. This will allow the Company to apply for other permits and approvals to commence drilling activities on these areas, but pending timing and additional costs incurred in splitting the overlapping drilling programme between the State Forrest and private land it may be prudent to delay any such activity until approvals are in place for the complete programme to take place.

Access and compensation agreements: The Company has permission for access to the State Forest and freehold land for non-destructive exploration (e.g. mapping, sampling, LiDAR aerial surveying and surface geophysical surveying). This will also permit environmental surveys and studies which are long lead-time components to commence in the interim.

The Company has held initial meetings with the State Forest authorities and freehold landowners regarding its planned drilling activities.

Environmental Studies: A Review of Environmental Factors (REF) is an environmental assessment under Part 5 of the Environmental Planning and Assessment Act 1979 which examines the significance of likely environmental impacts of a proposal and the measures required to mitigate any adverse impacts to the environment. It has been determined that a

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REF is required as part of the assessment of activities needing approval under NSW legislation to allow physical exploration to proceed at Torrington.

After requesting and assessing quotes from suitable environmental consultants, the Company has entered into an agreement with RW Corkery & Co. Pty Limited to complete the REF and also commence the baseline studies for the Environmental Impact Statement (EIS). The EIS is a comprehensive document that covers issues such as air quality, noise, transport, flora and fauna, surface and ground water management, methods of mining production, landscape management and rehabilitation. Extensive public consultation is also required, with community members encouraged to make submissions on the application.

Exploration completed to date: Under agreement with Resolve and at no risk to the Company if the EL transfers do not occur, certain activities were completed since the Company entered into the acquisition agreement. These included a detailed aerial LiDAR survey which was followed by a number of ground assessment and mapping campaigns and a Deep Ground Penetrating Radar (DGPR) survey for a total of 7.7 km which included a number of short duplicate runs with different receivers. Initial interpretation and correlation with previous drillhole geological logs indicates that it is possible to discern between silicite, metasediments and granite. The accuracy of the interpretation will be determined and refined once additional drillhole data is acquired and different filters are applied.

The mapping, LiDAR and DGPR surveys are being applied to refine the planned areas to be tested with Reverse Circulation Percussion (RC) and HQ / PQ Diamond drilling once approvals are in place to increase the existing resources. A programme of approximately 12,000 metre RC and 2,000 metre of diamond drilling is envisaged as being necessary to increase the total JORC Code estimated resources required for a Feasibility Study. Quotes have been requested from both drilling contractors and assay laboratories and a decision on successful tenderers will be made once approvals have been received to commence drilling.

Topaz and Mullite production: The Company has completed a comprehensive evaluation of all the previous extensive research conducted by numerous private and government institutions into the production of mullite and sintered products from the Torrington topaz which is a constituent mineral of the silicite host to the wolframite (tungsten) mineralisation. This silicite deposit is said to be the world's largest such resource and hence all the previous interest in its commercial possibilities. It is evident some further proof-of-concept research is required and warranted although the Company's immediate focus is in understanding the tungsten mineralisation, its distribution and potential extent.

Update on Historical JORC Code Resource Estimations: It is envisaged that the final report will be completed by early August and then released to the ASX.

EXISTING KRUCIBLE TENEMENTS

In November 2014 the current Directors undertook to review the then tenement holdings of the Company comprising fourteen projects in Western Queensland and one project in the Northern Territory. The review was completed by management and a consultant in February 2015 with a recommendation to the Board that nine of the projects be relinquished based on a lack of prospectivity and/or negative exploration results.

It was further recommended that joint venture partners be sought for the remaining six projects. These (joint venture) projects all contained potential deep drill targets (for copper, possibly other base metals, or rare earth elements) at estimated depths to 600 metre or more below surface.

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Fifteen companies ranging from major copper producers to explorers active in Australia were circulated with an information package summarizing project prospectivity. All declined to take up the joint venture offer or view the detail data with the explorers essentially committed to their own projects with funds available to them. Others were deterred by the amount of money previously spent on the tenements by Krucible with scant resultant prospectivity enhancement.

Relinquishment Status

An extensive and comprehensive rehabilitation programme by reputable contractors to rectify a legacy of Company-related environmental disturbance due to exploration activities since its inception was completed which resulted in sign-offs from property owners. This process allowed the Company to lodge surrender documentation for the nine tenements recommended for relinquishment to the appropriate Departments by mid-May 2015. Surrender approval has been received for seven of the tenements with two pending notification of completion from the DNRM (Queensland). Surrender documentation for the remaining six tenements was submitted to the DNRM on 30 June 2015. All Statutory Final Reports were submitted by 15 July 2015. Notification of the surrender approval for five of these six tenements is awaited.

The Rehabilitation Report for the Northern Territory (Tobermorey) tenement has been approved and Environmental Approvals have been received for eight of the fourteen Queensland tenements. The Company is not aware of any outstanding environmental or statutory liabilities with regards to the remaining seven tenements.

Environmental bonds held by the DEHP (Queensland) total \$55,000 of which \$10,000 has been received to date.

For, and on behalf of, the Board of Directors of Krucible Metals Limited,

Dr Leon Pretorius

Executive Chairman

Krucible Metals Limited

27 July 2015

For any enquiries please contact Josh Puckridge on +61 (0) 452 440 100.

Forward Looking Statement

This report may contain forward-looking statements that are subject to risk factors that are based on Krucible Metals' expectations relating to future events. Forward-looking statements are subject to risks, uncertainties and other factors, many of which are outside the control of Krucible, which could cause actual results to differ materially from such statements. Krucible Metals makes no undertaking to update or revise the forward-looking statements made in this report to reflect events or circumstances after the date of this release.

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Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Krucible Metals Ltd

ABN

12 118 788 846

Quarter ended ("current quarter")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(122)	(971)
(b) development	-	-
(c) production	-	-
(d) administration	(165)	(796)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	201	294
1.5 Interest and other costs of finance paid	-	(13)
1.6 Income taxes (paid)/received	(154)	(154)
1.7 Other-R&D Offset received	-	91
Net Operating Cash Flows	(240)	(1,549)
Cash flows related to investing activities (see note 2 in section 1.25 below)		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	(150)
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	534	534
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other- tenement security deposits	8	13
Other- acquisition deposit-Torrington	(224)	(224)
Funds placed on term deposits(>3mths)	-	(4,025)
Funds from expired term deposits (>3mths)	-	9,140
Net investing cash flows	318	5,288
1.13 Total operating and investing cash flows (carried forward)	78	3,739

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	78	3,739
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	2	7
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings (mortgage)	-	325
1.17	Repayment of borrowings- mortgage	-	(325)
	Repayment of borrowings-lease payments	-	(136)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	2	(129)
	Net increase (decrease) in cash held	80	3,610
1.20	Cash at beginning of quarter/year to date	9,345	5,815
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter	9,425	9,425

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	58
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Included in Operating and Investing Cash Flows were the following items:

1. Amounts paid to directors include salaries and directors' fees totalling \$ 58k.
2. During the quarter the Company sold its property at 113 Boundary St, Townsville (\$532k net) and certain small items of office and field equipment.
3. During the quarter the Company was assessed for the 2014 income tax year and settled the liability for \$154k.
4. During the quarter the Company made certain payments under the proposed acquisition of the Torrington Tungsten Project totalling \$224k.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Nil

+ See chapter 19 for defined terms.

- 2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Nil

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	270
4.2 Development	-
4.3 Production	-
4.4 Administration	202
Total	472

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	194	150
5.2 Deposits at call or term < 3 months	9,231	9,195
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9,425	9,345

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Appendix 5B
Mining exploration entity quarterly report

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter	
6.1	Interests in mining tenements relinquished, reduced or lapsed	EL 28170	Exploration Licence	100%	Nil
		EPM 19099	Exploration Permit for Minerals	100%	Nil
		EPM 17921	Exploration Permit for Minerals	100%	Nil
		EPM 25487	Exploration Permit for Minerals	100%	Nil
6.2	Interests in mining tenements acquired or increased	Nil			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference securities <i>(description)</i>	-	-	
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions			
7.3	+Ordinary securities	80,551,065	80,551,065	Various Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	42,500	42,500	5 cents Fully Paid
7.5	+Convertible debt securities <i>(description)</i>	-	-	-

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7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	1,500,000 18,974,862	- 18,974,862	Exercise price 11.96 cents 5 cents	Expiry date 28/11/2015 23/01/2016
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	42,500	42,500	5 cents	-
7.10	Expired/Canceled during quarter	500,000	-	15 cents	08/05/2015
7.11	Debentures (totals only)	-	-		
7.12	Unsecured notes (totals only)	-	-		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:Date: 27 July 2015
(Company Secretary)

Print name: Mike Meintjes

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.

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Appendix 5B
Mining exploration entity quarterly report

- 2 The “Nature of interest” (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.

- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.

- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.

- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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TENEMENT SCHEDULE

In accordance with Australian Securities Exchange Listing Rule 5.3.3 please find below a schedule of Krucible Metals Limited's tenements. This schedule should be read in conjunction with the Company's Quarterly Activities Statement for the three months ending 30 June 2015. There were no changes to beneficial interests held by the Company during the three months ending 30 June 2015.

SCHEDULE OF GRANTED TENEMENTS

Applicant	EPM Name	EPM No.	Date of Grant
KRB 100%	Valroy **	25126	29/01/2014
KRB 100%	Toomba **	15367	26/02/2007 & 26/02/2012
KRB 100%	Kamaran	15389	12/03/2007 & 12/03/2012
KRB 100%	Squirrel Hills	15354	29/03/2007 & 29/03/2012
KRB 100%	Tertiary *	19717	29/05/2014
KRB 100%	Lily Hole Creek (in the process of being transferred to ANB)	19090	26/06/2014
KRB 100%	Lukes Plot	17613	20/10/2010
KRB 100%	Wheelers Creek	19475	31/10/2014
KRB 100%	Big Toby Creek	19095	5/12/2013
KRB 100%	Coorabulka **	19286	5/12/2013

* Tertiary surrender finalised and approved 17/07/2015

** Coorabulka, Valroy & Toomba surrenders approved by Qld Dept. of Environment & Heritage Protection 17/07/2015, 20/07/2015 & 23/07/2015 respectively

-END-