

**6 August 2015**

Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
Sydney  
NSW 2000

## **TORRINGTON TUNGSTEN PROJECT AND CORPORATE UPDATE**

Krucible Metals Limited (**Krucible**) (**Company**) (ASX: **KRB**) is pleased to confirm the following matters:

### ***Torrington Tungsten Project acquisition update***

The Company has received written notification from the NSW Department of Trade & Investment - Resources & Energy (**Department**) confirming the transfer of EL 8258 and EL 8355 (the two exploration licences being acquired from Resolve Geo Pty Ltd) (**Torrington Tungsten Project**) have now been registered in the name of Krucible's wholly owned subsidiary, Torrington Minerals Pty Ltd.

Confirmation of the registration of the Torrington Tungsten Project exploration licences in the name of Torrington Minerals Pty Ltd satisfies the Condition Precedent under the Asset Sale Agreement with Resolve Geo Pty Ltd (**Agreement**). The Company is now able to schedule Completion of the acquisition of the Torrington Tungsten Project exploration licences by issuing 12m fully paid ordinary paid shares to Resolve Geo Pty Ltd (or its nominees). Under the varied terms of the Agreement, Completion occurs three days after the Record Date of the proposed Capital Return, being Monday 24 August 2015.

Details of the proposed work program regarding the Torrington Tungsten Project are set out in the technical section of the June 2015 Quarterly Activities Report released 27 July 2015. The Company is now in a position to formally proceed with activating the proposed work program.

### ***Capital Return***

#### ***Shareholder meeting***

As announced 15 June 2015, and in accordance with the Notice of Meeting dispatched to shareholders, a shareholder meeting is to be held at 10am on Friday 14 August 2015 to:

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

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### ATO Class Ruling

As announced 15 June 2015 the Company received a draft class ruling from the Australian Taxation Office (**ATO**) regarding the tax treatment of the proposed Capital Return; on the basis of this draft ruling the board of directors of the Company proceeded on the basis of the Capital Return not entailing any dividend tax liability to shareholders of the Company.

The Company has since received the final class ruling, being “(CR 2015/59) *Income tax: Return of Capital: Krucible Metals Limited*”. This Class Ruling can be accessed on the ATO Legal database at <http://law.ato.gov.au/atolaw>.

In summary the Class Ruling confirms:

- the return of capital that will be paid to Krucible Shareholders will not be a dividend, as defined in subsection 6(1) of the ITAA 1936;
- a Capital Gains Tax (CGT) event will happen when Krucible pays the return of capital of \$0.05 to a Krucible Shareholder in respect of a Krucible ordinary share they own at the Record Date and continue to own at the Payment Date; and
- a CGT event will happen when Krucible pays the return of capital of \$0.05 per share to a Krucible Shareholder in respect of a Krucible ordinary share they own at the Record Date, but cease to own before the Payment Date.

Appendix 1 to the Class Ruling provides the following explanation in relation to the CGT event:

*A Krucible Shareholder will make a capital gain if the return of capital amount is more than the cost base of the shareholder's Krucible share. The amount of the capital gain is equal to that excess (subsection 104-135(3) of the ITAA 1997).*

The above explanation is consistent with the statement by the Company on 15 June 2015 where it noted that the Return of Capital was not considered to be taxable income where the cost base of the shares held by a shareholder exceeds the amount of capital returned. Shareholders should however seek their own specialist tax advice.

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

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