



## TOP TUNG LIMITED

ABN 12 118 788 846

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Australia

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### *Quarterly Activities and Cash Flow Statement*

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

#### **COMPANY OVERVIEW**

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

During the Period the Company completed 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 September 2015 is as follows:

Issued fully paid ordinary shares:	102,368,478
Listed Options (ASX: KRBO):	9,157,449
Unlisted Options:	1,500,000
Cash at Bank:	\$5.2 million

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

#### **CORPORATE ACTIVITIES REPORT**

##### **SHAREHOLDER MEETING**

A shareholder meeting was held on 14 August 2015 where the following resolutions were overwhelmingly supported by shareholders:

- a Capital Return to shareholders of \$0.05 per share totalling approximately \$4m;
- the issue of 18 million shares as part consideration for the acquisition of the Torrington Tungsten and Topaz Exploration Project;
- the change of company name from Krucible Metals Limited (ASX:KRB) to TopTung Limited (ASX:TTW).

##### **EFFECT OF THE CAPITAL RETURN ON LISTED OPTIONS**

The Company had Listed Options on issue with an expiry date of 23 January 2016 and an exercise price of \$0.05. In accordance with ASX Listing Rules, once the Capital Return to shareholders became effective, the exercise price was reduced by \$0.05 to \$0.

Since completing the Capital Return, 9,817,413 Listed Option-holders have elected to convert to fully-paid ordinary shares by providing an option exercise notice to the Company's share registry.

Listed Option-holders are encouraged to exercise their option to acquire a fully paid ordinary share for no consideration (and before the expiry date) by completing the election notice which is available from the Company's share registry's website ([www.boardroomlimited.com.au](http://www.boardroomlimited.com.au)).

## **CHANGE OF REGISTERED OFFICE**

The Company moved its registered office and principal place of business to Brisbane during August 2015. The new head office comprises 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.

## **NORTHERN TERRITORY SUMMONS FOR UNAUTHORISED EXPLORATION AND DRILLING**

On 25 August 2015 the Court of Summary Jurisdiction in the Northern Territory found the Company guilty of breaching section 35(4) of the *Mining Management Act (NT)* and was ordered to pay a fine of \$300,000. The breach related to drilling at the Company's Tobermorey Project (EL 28710) which has subsequently been relinquished. All work was completed by the former management of the Company.

Subsequent to the end of the quarter, the Company appealed the decision in the Supreme Court of the Northern Territory and submissions were delivered to the Chief Justice at a hearing held on 13 October 2015. The Company was informed on 22 October 2015 that the fine would be reduced from \$300,000 to \$150,000 on the basis that the original ruling was manifestly excessive. Given the appeal was successful the Company will make an application to the Court for a partial recovery of costs regarding the appeal proceedings.

## **TECHNICAL ACTIVITIES REPORT**

### **TORRINGTON PROJECT UPDATE**

TopTung holds 100% of Exploration Licences 8258 and 8355 (ASX announcement 6 August 2015) in the name of its 100% owned subsidiary Torrington Minerals (Pty) Limited.

Updated JORC Code 2012 compliant Mineral Resource Estimate (ASX announcement 12 August 2015) was released with Indicated and Inferred Resource totalling 2,146,000 tonnes at 0.23% WO<sub>3</sub> for 4,965 tonnes WO<sub>3</sub> (at 0.063% WO<sub>3</sub> cut-off).

### **Summary Indicated and Inferred Tungsten Resources**

<b>Resource Category</b>	<b>Silixite (t) &gt;0.05% W</b>	<b>Grade (% W)</b>	<b>Grade (% WO<sub>3</sub>)</b>	<b>W (t)</b>	<b>WO<sub>3</sub> (t)</b>
Indicated	422,000	0.20	0.25	827	1,043
Inferred	1,724,000	0.18	0.23	3,110	3,922
<b>Total (rounded)</b>	<b>2,146,000</b>	<b>0.18</b>	<b>0.23</b>	<b>3,937</b>	<b>4,965</b>

The Project is located in northern New South Wales in proximity to the Torrington Township approximately 35km south of the Queensland border approximately 75km from the local Shire town of Tenterfield.

Generally infrastructure is very good and includes a 22 kVA powerline to site.

The Project area encompasses 53km<sup>2</sup> and covers most of the numerous historic shallow tungsten mines and workings

Results from a recently flown LiDAR survey (high definition topography) were instrumental in allowing the bulk of the historic data to now be included in this revised JORC Code estimate.

Recent field mapping indicates the potential for significant exploration upside in the short term from the Company's proposed exploration plan.

Review of Environmental Factors ecology surveys over the 3 proposed drill areas on Mt Everard, Wild Kate and Burnt Hut prospects has been completed and reports are being compiled by the consultants.

Right to negotiate Native Title process record date confirmed as 8 October 2015. This triggers the approximate 6-month approvals process and delays referred to in the June 2015 Quarterly report

#### **RELINQUISHMENT STATUS OF EXISTING KRUCIBLE TENEMENTS**

All Queensland and Northern Territory Exploration Tenements have been rehabilitated and relinquished. Acknowledgement and acceptance has been received as have repayment of all bonds and balance of rental fees.

*For, and on behalf of, the Board of Directors of TopTung Limited,*  
Dr Leon Pretorius  
Executive Chairman  
TopTung Limited  
29 October 2015

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

## **MINERAL TENEMENT INFORMATION**

As at 30 September 2015

<b>Project</b>	<b>Tenement No.</b>	<b>Interest 30 June 2014</b>	<b>Interest 30 June 2015</b>	<b>Interest 30 Sept. 2015</b>
<b>New South Wales - Current</b>				
<b>Torrington 1*</b>	<b>EL 8258</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Torrington 2*</b>	<b>EL 8355</b>	<b>-</b>	<b>-</b>	<b>100%</b>
<b>Queensland - Relinquished</b>				
<b>Squirrel Hills</b>	<b>EPM 15354</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Toomba</b>	<b>EPM 15367</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Kamaran</b>	<b>EPM 15389</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Cowie Mag</b>	<b>EPM 17291</b>	<b>100%</b>	<b>0%</b>	<b>-</b>
<b>Luke's Plot</b>	<b>EPM 17613</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Toolebuc</b>	<b>EPM 19027</b>	<b>100%</b>	<b>0%</b>	<b>-</b>
<b>Big Toby Creek</b>	<b>EPM 19095</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Flemington</b>	<b>EPM 19099</b>	<b>100%</b>	<b>0%</b>	<b>-</b>
<b>Coorabulka</b>	<b>EPM 19286</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Wheelers Creek</b>	<b>EPM 19475</b>	<b>Application</b>	<b>100%</b>	<b>0%</b>
<b>Tertiary</b>	<b>EPM 19717</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Valroy</b>	<b>EPM 25126</b>	<b>100%</b>	<b>100%</b>	<b>0%</b>
<b>Mosses Bore</b>	<b>EPM 25487</b>	<b>100%</b>	<b>0%</b>	<b>-</b>
<b>Mulya</b>	<b>EPM 25771</b>	<b>Application</b>	<b>Withdrawn</b>	<b>-</b>
<b>Northern Territory - Relinquished</b>				
<b>Tobermorey</b>	<b>EL 28170</b>	<b>100%</b>	<b>0%</b>	<b>-</b>

\*Tenements held through Torrington Minerals Pty Ltd, a 100% owned subsidiary.

### **WAIVER FROM LISTING RULE 7.3.2**

Shareholder approval has been obtained for the issue of 6,000,000 fully paid ordinary shares ("Tranche 3 Shares") as part of the acquisition of two exploration licences in NSW known as the Torrington Project from Resolve Geo Pty Ltd ("Resolve"). This waiver has been obtained to issue the shares more than three months after approval at the meeting on 14 August 2015, on the proviso that the Company provides a note stating the terms on which this issue will occur.

The Tranche 3 Shares are to be issued 20 business days after the Company prepares:

- a final investment decision affecting the licences (as defined in the agreement); and
- applies for one or more mineral leases over the area/s of mineralisation described in the final investment decision

and in any event no later than 31 December 2017.

### **COMPETENT PERSON STATEMENT**

I, Gordon Saul, confirm that I am the Competent Person for the Torrington Project JORC Mineral Resource Estimates and:

- I have read and understood the requirements of the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition);
- I am a Competent Person as defined by the JORC Code, 2012 Edition, having five years' experience that is relevant to the style of mineralisation and type of deposit described in the Report, and to the activity for which I am accepting responsibility;
- I am a Member of the Australian Institute of Geoscientists (Membership 3440); and
- I have reviewed the Quarterly Report to which this Consent Statement applies.

I am a consultant and TopTung Limited shareholder working for Resolve Geo Pty Ltd, and have been engaged by TopTung Limited to prepare the documentation for the Torrington tungsten and topaz deposits.

I have disclosed to the reporting company the full nature of the relationship between myself and the company, including any issue that could be perceived by investors as a conflict of interest. Resolve Geo Pty Ltd are the previous holders of the tenements prior to acquisition by TopTung Limited and have been retained in a consultant capacity. Resolve Geo Pty Ltd holds a 11.14% shareholding in the parent company at the time of reporting and the right be issued a further 12m fully paid ordinary shares based on defined milestones.

I consent to the inclusion in the Quarterly Report in the form and context in which it appears.

## 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

TopTung Ltd

ABN

12 118 788 846

Quarter ended ("current quarter")

30 September 2015

#### Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date ( 3 months) \$A'000
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration & evaluation	(84)	(84)
(b) development	-	-
(c) production	-	-
(d) administration	(161)	(161)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	60	60
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes (paid)/received	-	-
1.7 Other-R&D Offset received	-	-
<b>Net Operating Cash Flows</b>	<b>(185)</b>	<b>(185)</b>
<b>Cash flows related to investing activities (see note 2 in section 1.25 below)</b>		
1.8 Payment for purchases of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.9 Proceeds from sale of: (a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other- tenement security deposits	5	5
<b>Net investing cash flows</b>	<b>5</b>	<b>5</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(180)</b>	<b>(180)</b>

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**Appendix 5B**  
**Mining exploration entity quarterly report**

1.13	Total operating and investing cash flows (brought forward)	(180)	(180)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	-	-
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other- Capital Return of 5 cents/share	(4,027)	(4,027)
	<b>Net financing cash flows</b>	(4,027)	(4,027)
	<b>Net increase (decrease) in cash held</b>	(4,207)	(4,207)
1.20	Cash at beginning of quarter/year to date	9,425	9,425
1.21	Exchange rate adjustments to item 1.20		
1.22	<b>Cash at end of quarter</b>	5,218	5,218

**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	60
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 consulting and directors' fees totalling \$ 60k.

**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

During the quarter the Group, through its wholly owned subsidiary Torrington Minerals Pty Ltd, completed a transaction with Resolve Geo Pty Ltd to acquire the Torrington Tungsten Exploration Leases EL 8355 and EL 8258. As a result, the first tranche share issue (as part of the purchase consideration specified in the agreement) was processed, being 12m fully paid ordinary shares at a deemed issue price of 3 cents per share (\$360,000).

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

+ See chapter 19 for defined terms.

### 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	233
4.2 Development	-
4.3 Production	-
4.4 Administration	195
<b>Total</b>	<b>428</b>

### 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	343	194
5.2 Deposits at call or term < 3 months	4,875	9,231
5.3 Bank overdraft		
5.4 Other (provide details)		
<b>Total: cash at end of quarter (item 1.22)</b>	<b>5,218</b>	<b>9,425</b>

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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	EPM 19095	Exploration Permit for Minerals	100%	Nil
		EPM 19717	Exploration Permit for Minerals	100%	Nil
		EPM 15354	Exploration Permit for Minerals	100%	Nil
		EPM 17613	Exploration Permit for Minerals	100%	Nil
		EPM 15367	Exploration Permit for Minerals	100%	Nil
		EPM 15389	Exploration Permit for Minerals	100%	Nil
		EPM 19286	Exploration Permit for Minerals	100%	Nil
		EPM 25126	Exploration Permit for Minerals	100%	Nil
6.2	Interests in mining tenements acquired or increased	EL 8355	Exploration Licence	Nil	100%
		EL 8258	Exploration Licence	Nil	100%

**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				
	-	-		
7.2				
7.3	102,368,478	102,368,478	Various	Fully Paid
7.4				
	9,817,413	9,817,413	0 cents	Fully Paid
	12,000,000	12,000,000	3 cents	Fully Paid

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**Appendix 5B**  
**Mining exploration entity quarterly report**

7.5	<b>+Convertible debt securities</b> <i>(description)</i>	-	-	-	-
7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	<b>Options</b> <i>(description and conversion factor)</i>	1,500,000 9,157,449	- 9,157,449	<i>Exercise price</i> 6.96 cents 0 cents	<i>Expiry date</i> 28/11/2015 23/01/2016
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	9,817,413	9,817,413	0 cents	-
7.10	Expired/Cancelled during quarter	-	-	-	-
7.11	<b>Debentures</b> <i>(totals only)</i>	-	-		
7.12	<b>Unsecured notes</b> <i>(totals only)</i>	-	-		

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**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: 29 October 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.
- 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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