

KRUCIBLE METALS LIMITED

ABN 12 118 788 846

PROJECT ACQUISITION HERALDS A NEW BEGINNING

INTRODUCING THE TORRINGTON TUNGSTEN AND TOPAZ PROJECT



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COMPANY SNAPSHOT as at 20 April 2015

KRUCIBLE METALS LTD (ASX: KRB)	Information as at 20 April 2015	Post Torrington Acquisition-Phase 1*
1. Capital Structure and Cash		
Number of shares on issue	80,551,065	92,551,065
Share price - average past three months	\$0.07	N/A
Market capitalisation	\$5.6 million	N/A
Cash (reduced by 5c per share proposed capital return of approx. \$4 million)	\$5.3 million	\$5.3 million
Cash backing per share (reduced by proposed capital return as above)	6.6 cents per share	5.7 cents per share
Listed options - \$0.05 exp 23 January 2016 (possibly exercisable at \$nil after capital return)	18,974,862	18,974,862
Unlisted options - \$0.15 exp 8 May 2015	500,000	500,000
Unlisted options - \$0.12 exp 28 Nov 2015	1,500,000	1,500,000

2. Board and Company Secretary	
Leon Pretorius	Executive Chairman
Josh Puckridge	Non-Executive Director
Dennis Lovell	Non-Executive Director
Mike Meintjes	Company Secretary

COMPANY SNAPSHOT as at 20 April 2015 (continued)

3. Top 10 Shareholders	No. Shares	%
1. Fwmi No 2 Pty Ltd	4,595,917	5.71
2. Southern Reaches Pty Ltd <The Kern Super Fund A/C>	4,459,925	5.54
3. Dr Leon Eugene Pretorius	4,266,668	5.30
4. Mr Anthony J Alston & Mr Loughlan A Alston <Alston Family Super Fund A/C>	4,137,882	5.14
5. Cryptodome Pty Ltd <The Woomara Super Fund A/C>	3,319,447	4.12
6. Mr Ramon John Andrew Poli & Mrs Terese Joy Poli <The Ramon Poli A/C>	2,434,900	3.02
7. The Leanda Group Qld Pty Ltd <Leanda Group SuperFundA/C>	2,116,668	2.63
8. Warramboos Holdings Pty Ltd	2,050,000	2.55
9. Wythenshawe Pty Ltd	2,050,000	2.55
10. Ironside Pty Ltd <Ironside Super Fund A/C>	1,802,836	2.24
Totals	<u>31,234,243</u>	<u>38.80</u>
Percentage held by Top 20 Shareholders		50.90
Management and Associates		6.60

PROJECT ACQUISITION BACKGROUND

- Krucible assessed numerous projects and commodities and decided that Tungsten held the most promising future for the Company and that Torrington was the most prospective tungsten project available to it in Australia
- Agreement was reached with Resolve Geo (Pty) Limited to acquire 100% of EL 8258 and EL 8355 in Northern New South Wales subject to the Dept. of Trade and Investment (Resources and Energy) transferring the two ELs to Krucible's 100% owned subsidiary Torrington Minerals (Pty) Limited
- Acquisition includes issuing 12 million Krucible shares (escrowed) plus repayment of \$135,000 agreed expenditure and, subject to shareholder approval, two later tranches of 6 million Krucible shares each subject to certain hurdles up to completion of a Final Investment Decision (FID)
- Krucible is rationalising all its greenfields Queensland and Northern Territory tenement holdings with some being relinquished and others being offered for JV to allow the Company to focus solely on Torrington and has written off the total capitalised exploration expenditure carrying value of \$2.7 million.
- Krucible to immediately undertake an intensive exploration programme to increase the present JORC Code resource base and simultaneously commence baseline environmental and metallurgical studies at Torrington
- Krucible will contract Resolve Geo at favourable commercial consulting rates to conduct the Torrington exploration programmes under its direction and management
- Krucible will relocate its office from Townsville to Brisbane

UNDERSTANDING TUNGSTEN AND THE MARKET

- Tungsten ore occurs as a metallic oxide with iron in the mineral ferberite (FeWO_4), with manganese as hübnerite (MnWO_4) and with iron–manganese as wolframite ($\text{Fe,Mn} \text{WO}_4$). Another major ore is the vitreous oxide with calcium in the mineral scheelite (CaWO_4)
- Tungsten prices are quoted in units of tungsten trioxide (WO_3)
- The metric tonne unit is 1% of a metric tonne (10 kg)
- A metric tonne unit of WO_3 , therefore equals 10 kg of WO_3 and contains 7.93 kg of tungsten
- Therefore a 65% concentrate will attract 65% of a quoted price of (say) US\$250/mtu, i.e. ~US\$160/mtu or US\$16/kg
- Higher WO_3 concentrate values attract a premium
- Keep in mind the concentrate will be around 75% WO_3 if there are no impurities as the balance is either Fe, Mn or a combination (if one of the metallic oxides are produced)
- There are some impurities that if present attract penalties

TORRINGTON PROJECT OVERVIEW

History	<ul style="list-style-type: none"> • Historical, successful multi-element (tungsten, bismuth and topaz) mining • Contained largest single wolfram (WO_3) mass (12.5t) recorded in Australia • >100 years mining activity within the area, including BHP from 1911 to 1919 • Pacific Copper tungsten and topaz production from mid 1970's to early 80's
Resource Definition	<ul style="list-style-type: none"> • Previously defined resource of ~ 5.75Mt (Pre-JORC 2012) • Current combined JORC 2012 Resource of 2,247 tonnes WO_3 • Recently completed LiDAR survey will materially increase the current JORC (2012) resources • Friable nature of the tungsten (ferberite) resulted in low recoveries in RAB • 418 holes (from 438) in multiple drilling programmes inc; <ul style="list-style-type: none"> 190 holes drilled for tungsten + or – bismuth & topaz and silexite delineation 224 holes drilled for topaz and silexite delineation • 12-Five tonne (minimum) bulk samples collected by Pacific Copper for tungsten grade and process control
Successive price crashes and poor recoveries	<ul style="list-style-type: none"> • Tungsten prices peaked in 1917 and 1977 (\$170/Mtu) and fell to \$47/Mtu by 1986 with artisanal Chinese production – Pacific Copper Mine closed • No fines circuit in previous mill design (30% topaz loss, >25% ferberite loss) • Little recognition of other potential mineral credits

Historical Torrington WO₃ concentrate production (tonnes)

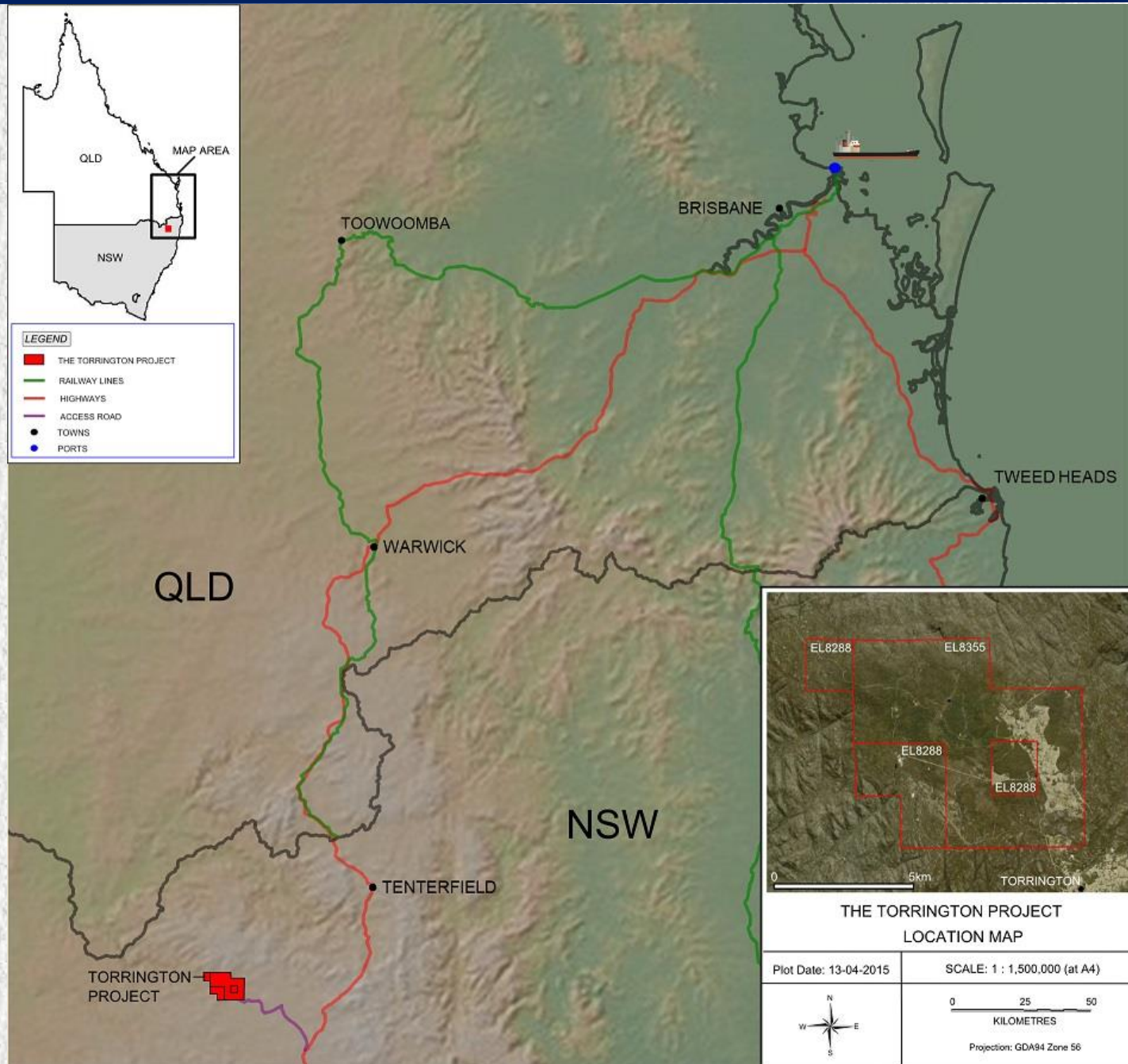
All historical production records below have been derived from mining within the current Torrington Tungsten and Topaz Project area

Period	Fielders Hill	Bismuth	Wolfram Hill	Carters	New Hope	Locks	Burnt Hut	Wild Kate	Mt Everard	Fossicking / Misc
To 1911	309	320	15	115	203	15		15	20	99
1912-1919	318	2		229	82	44		25		173
1920-1938			5							100
1939-1957	65	22		43	11.5	1	1.5			139
1958-1976				7	2					
1977-1981	95				9.5		40.5	0.5	10	3
Totals	787	344	20	394	308	60	42	40.5	30	514

2,540 tonnes recorded historical WO₃ concentrate production

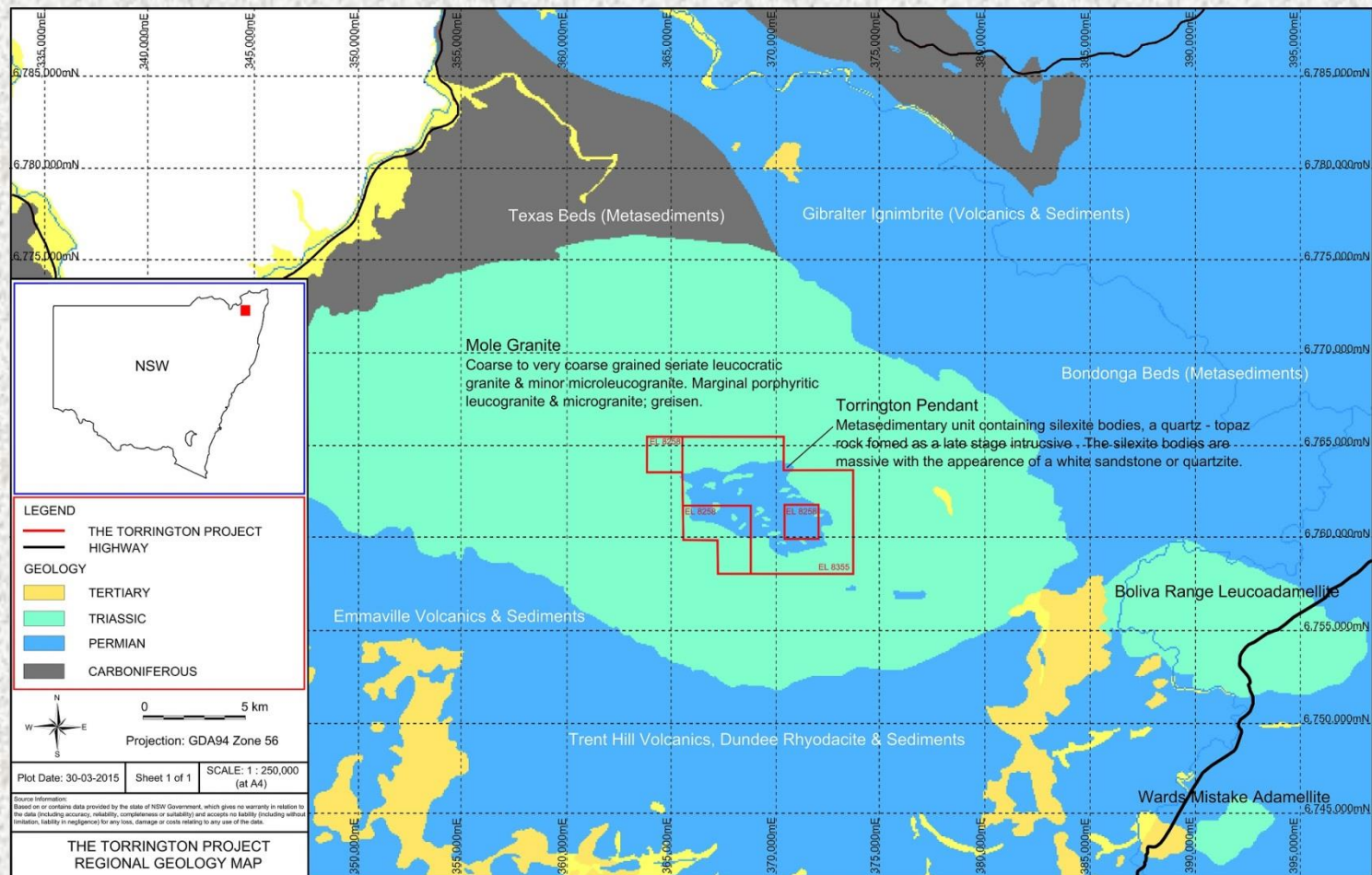
TORRINGTON PROJECT LOCATION

- Tenterfield – nearest large town (40 min by road)
- Excellent road infrastructure
- 22 kV Powerline and power available on site
- 353km to the Port of Brisbane
- Local earth moving and mining contractors
- Numerous small scale mines and a local mining culture
- Local workforce and services

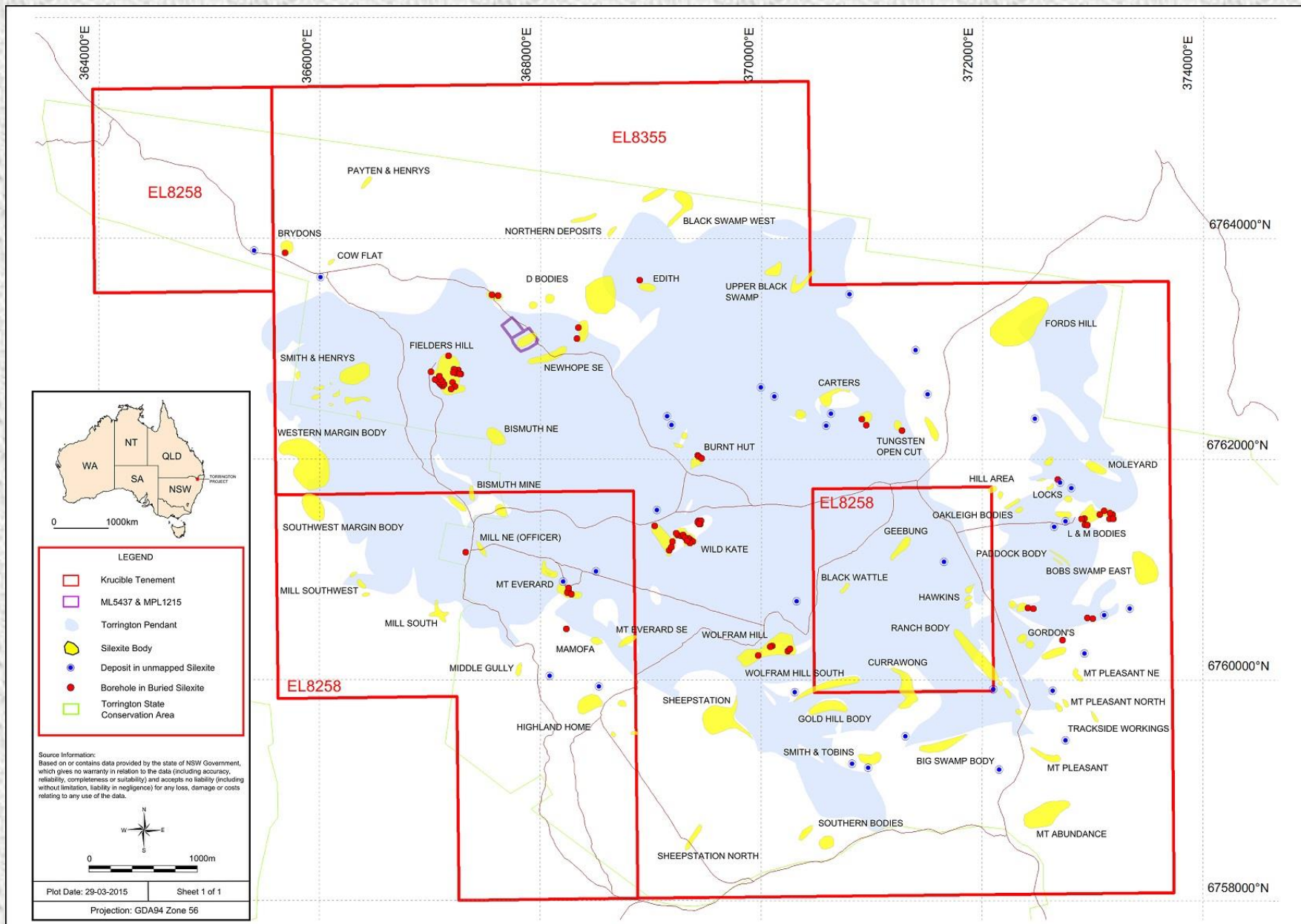


TORRINGTON GEOLOGY

- The Torrington Project lies within the Late Permian Mole Granite and covers the Torrington Pendant, an elliptical body of Early Permian metasediments - the remnant roof of the Mole Granite.
- The primary ore is silexite (a quartz-topaz greisen) developed both as a late stage intrusive and fractionated by-product of the granite, forming sills and dykes on the granite and in the metasediment cap (Torrington Pendant).

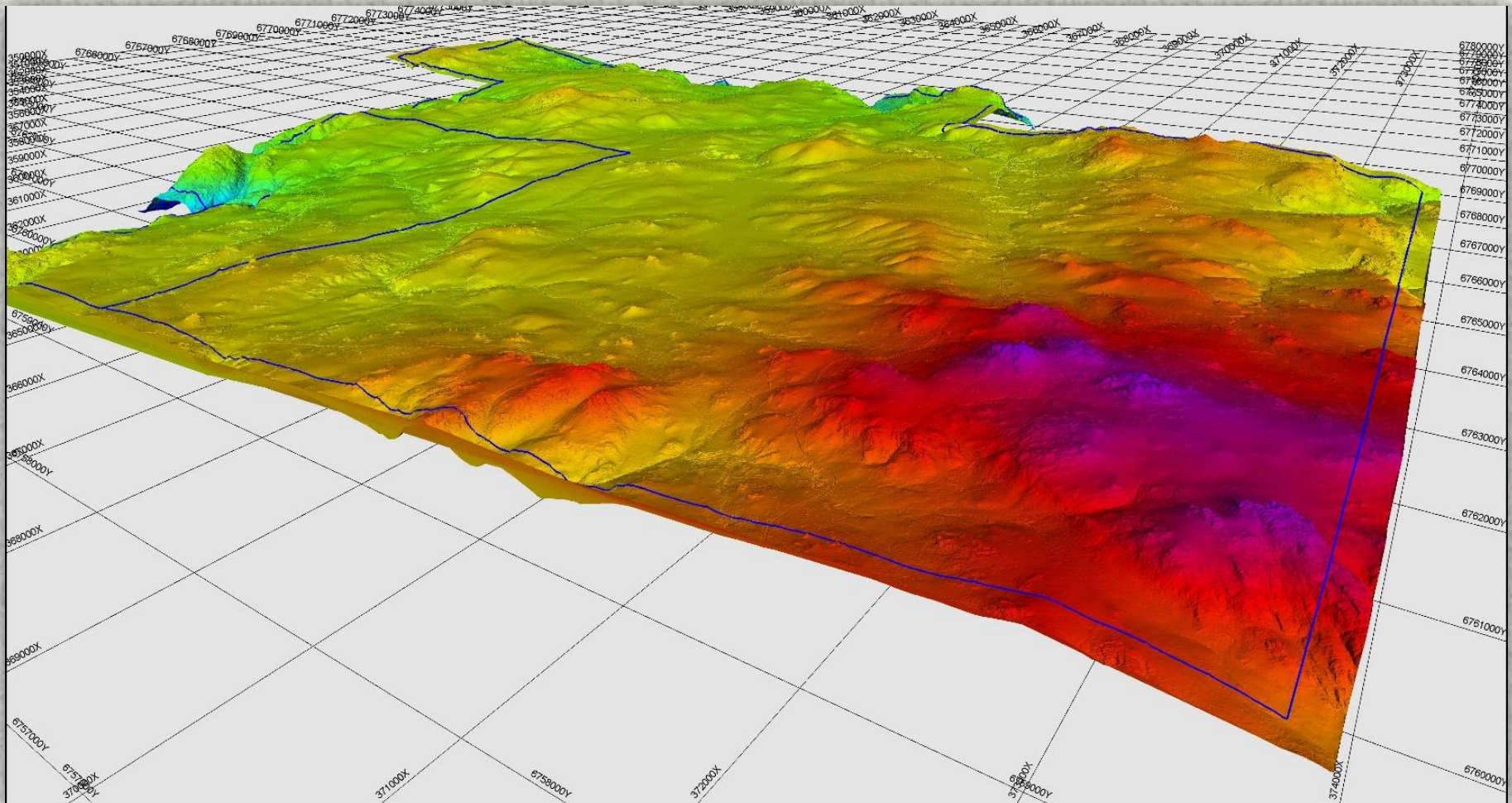


MAJOR KNOWN SILEXITE BODIES



LiDAR ACQUISITION

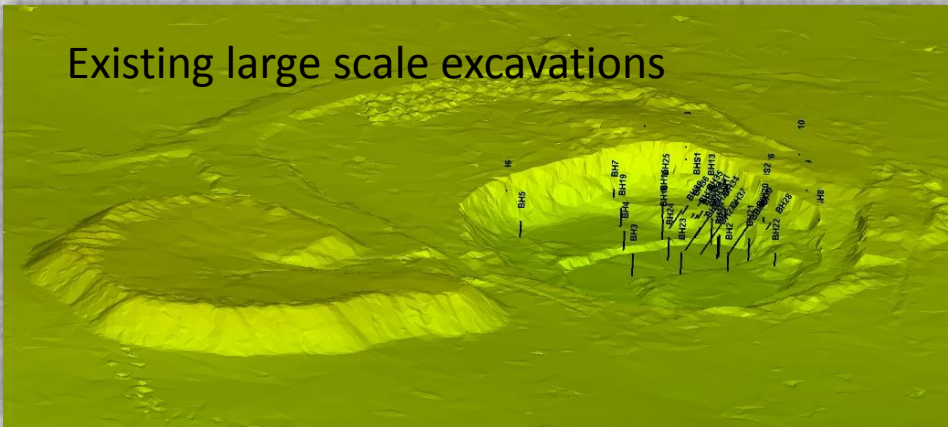
- High quality LiDAR topographic data delivered in April 2015
- Invaluable tool to aid in mapping and targeting of drill programs
- Provides confidence around existing mines and shows old historical workings clearly



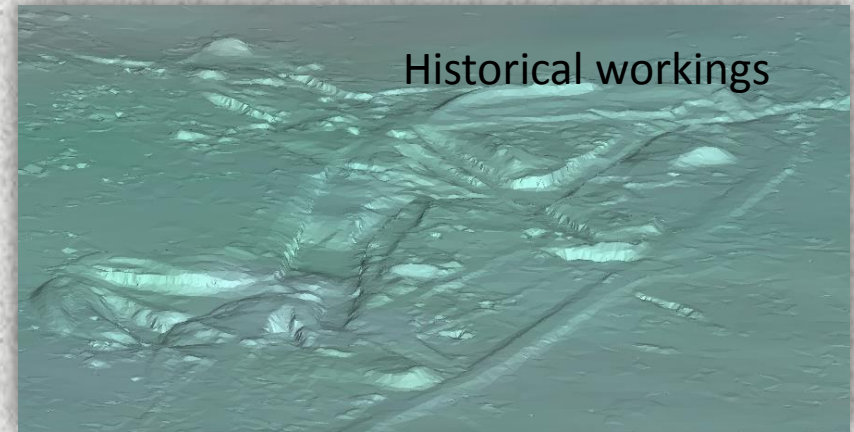
LiDAR ACQUISITION

- Immediate benefits of the LiDAR survey include:
 - Re-estimates of existing JORC Resources
 - Integration with recently acquired bathymetry, to facilitate an estimate of remaining resources at previously mined deposits.

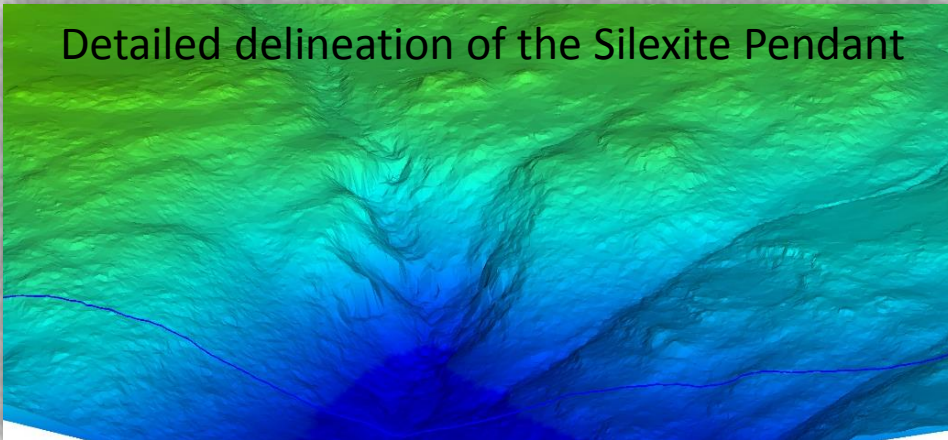
Existing large scale excavations



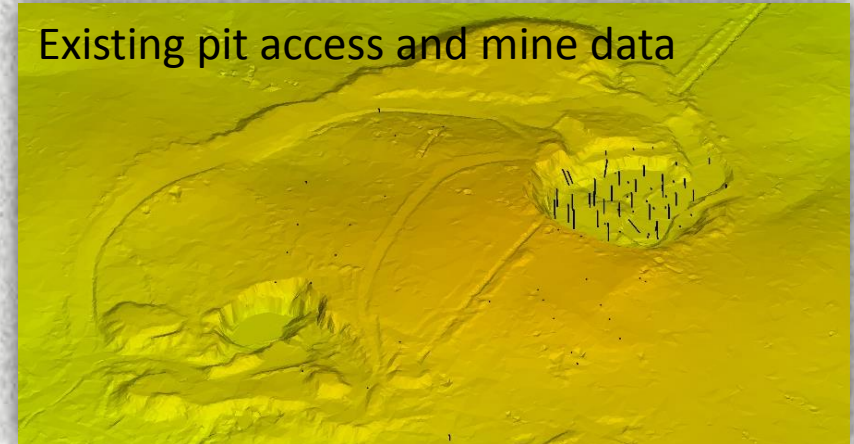
Historical workings



Detailed delineation of the Silexite Pendant

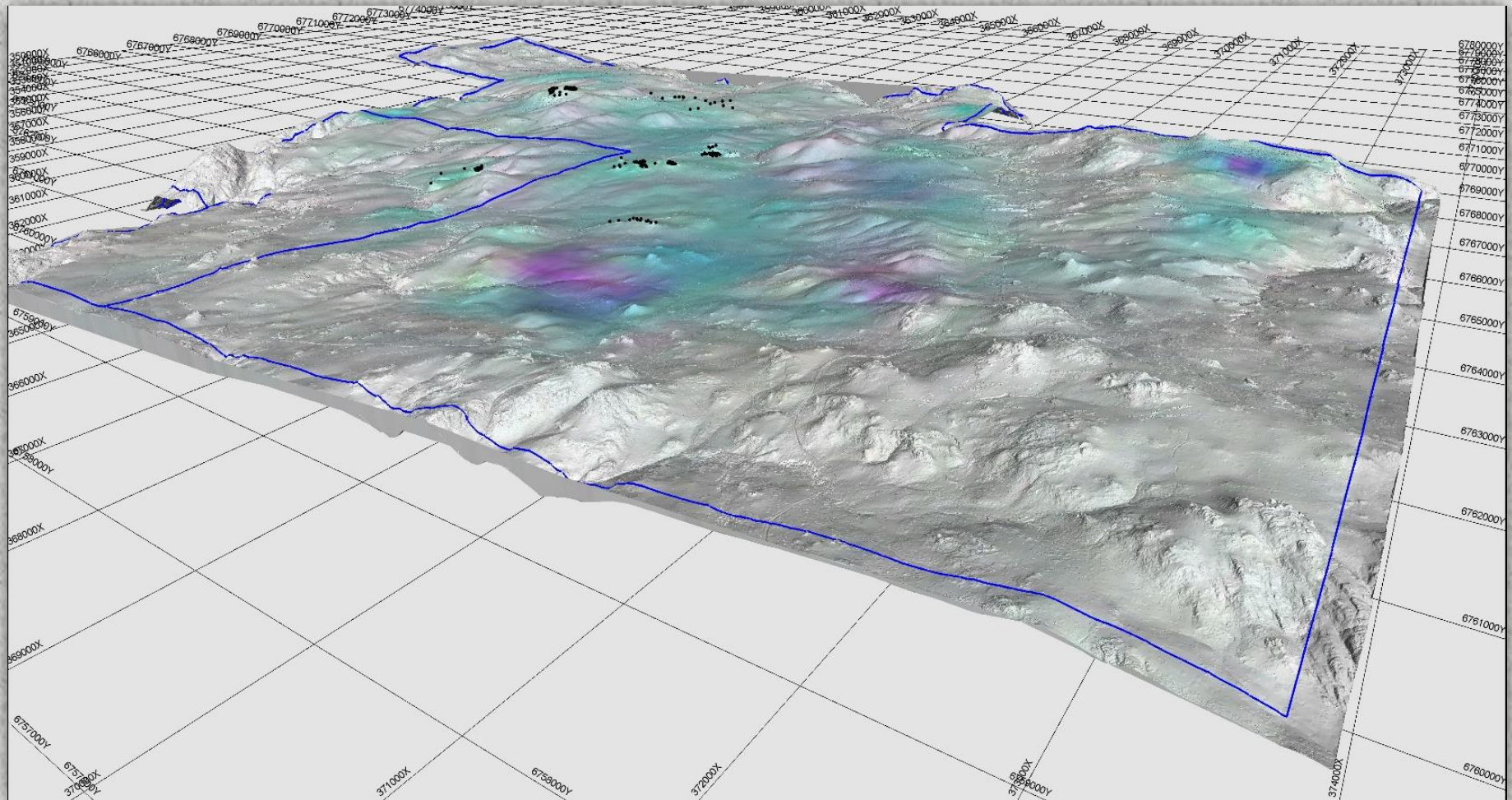


Existing pit access and mine data



LiDAR ACQUISITION

- Immediate benefits of the LiDAR survey include:
 - Reinterpretation of orebodies (in conjunction with further short term mapping) and assess the likelihood of continuity between known Silexite occurrences
 - Detailed correlation to aerial geophysics surveys



PROJECT DEVELOPMENT PATHWAY

PROCESS FROM EXPLORATION LEASE TO MINING LEASE (MAIN OREBODIES)

- LiDAR Survey completed March 2015. Data received and processing underway
- Access negotiations and permitting
- Drilling for 2012 JORC Reserve, Ore samples and Metallurgical testwork
- Commence baseline Environmental Impact Statement (EIS) studies
- Assess viability (Scoping Study) of developing nominally a 650ktpa mining and processing operation to a “fixed” plant for a minimum of 10 years (In accordance with ASX LR 5.16.4 the Company clarifies that there is currently a low level of geological confidence associated with the inferred mineral resources and there is no certainty that further exploration work will result in the determination of indicated mineral resources or that the production target itself will be realised)
- Maintain Capex below \$30M to satisfy project of “regional” significance criteria
- Nominally 18 months to EIS approval and additional 4 months for Mining Operations Plan (MOPS) approval
- Process design flowsheet
- Finalise Products for sale and marketing
- Capital raising – timing dependent upon rate of expenditure – could be later
- Feasibility study report – capital and operating cost estimates to 15% accuracy
- Detailed design and procurement for a D&C style contract

PROPOSED FUTURE ACTIVITIES AND EXPENDITURE

Current and next steps for the Project and Preliminary Budget

ACTIVITY	AUS (\$)
LiDAR Survey (Complete)	40,000
Review of previous drilling post-LiDAR and new JORC estimate	5,000
Review of Environmental Factors (REF) pre-drilling	20,000
Detailed Field Grade Control	25,000
Exploration Drilling	700,000
Bulk Sampling	100,000
Conceptual Project Development Plan (CPDP)	30,000
Environmental Impact Statement (EIS) and ML Permitting	1,150,000
TOTAL	\$2,070,000

JORC 2012 RESOURCES

Wild Kate Deposit JORC Resources Summary (EL8355)

Classification	Silexite (t)	Tungsten (WO ₃)	Tungsten (WO ₃) (t) ⁽²⁾	Topaz	Topaz (t)
		Grade (%) ⁽¹⁾		Grade (%) ⁽¹⁾	
Inferred	770,000	0.18	1,380	17	131,000
Indicated	192,000	0.21	410	17	33,000
Total	962,000		1,790		164,000

Mt Everard Deposit JORC Resources Summary (EL8258)

Classification	Silexite (t)	Tungsten (WO ₃)	Tungsten (WO ₃) (t) ⁽²⁾	Topaz	Topaz (t)
		Grade (%) ⁽¹⁾		Grade (%) ⁽¹⁾	
Inferred	62,000	0.23	140	17	10,500
Indicated	140,000	0.23	317	17	24,000
Total	202,000		457		34,500

Total JORC Resources Summary

Total	1,164,000		2,247		198,500
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JORC 2012 EXPLORATION TARGETS

Tungsten JORC Exploration Target Summary

Location	Estimated Area of Host Silexite (m ²)	Tungsten Grade Range (WO ₃) ⁽¹⁾		Estimate (80% >630ppm) WO ₃ ⁽³⁾	
		Min (%)	Max (%)	Min (t)	Max (t)
EL8258 and EL8355	1,804,768	0.12	0.5	33,200	116,850

Bismuth JORC Exploration Target Summary

Location	Estimated Area of Host Silexite (m ²)	Bismuth Grade Range ⁽¹⁾		Estimate (80% >630ppm WO ₃) Bi ⁽³⁾	
		Min (%)	Max (%)	Min (t)	Max (t)
EL8258 and EL8355	1,878,398	0.02	0.07	2,861	22,702

Topaz JORC Exploration Target Summary

Location	Estimated Area of Host Silexite (m ²)	Topaz Grade Range ⁽¹⁾		Estimate (80% >630ppm WO ₃) Topaz ⁽³⁾	
		Min (%)	Max (%)	Min (t)	Max (t)
EL8258 and EL8355	1,849,768	10	17	1,853,705	6,619,010

See Competent Persons Statement at end of presentation for notes 1, 2 & 3

MINERAL PROCESSING

- The tungsten mineral in Torrington is Ferberite, a tungsten-iron oxide
 - Ferberite is the iron rich endmember of the manganese - iron wolframite solid solution series composed of iron(II) tungstate (FeWO_4).
 - Ferberite has a high density and can be separated after crushing using simple gravity concentration in the form of jigs and spirals from the gangue minerals
 - Any bismuth and other heavy minerals will follow the tungsten
 - Ferberite is also slightly magnetic and can be separated from the other heavies by magnetic separation techniques
- The gangue is silicite, a rock composed mainly of an intergrowth of quartz and topaz
 - Topaz ($\text{Al}_2\text{SiO}_4(\text{F},\text{OH})_2$) is denser than quartz and can be separated into a concentrated form using standard minerals processing techniques of jigs and spirals following crushing
 - Topaz is used in the abrasives, refractory materials and glass industries

RECOGNISED RISKS AND OPPORTUNITIES

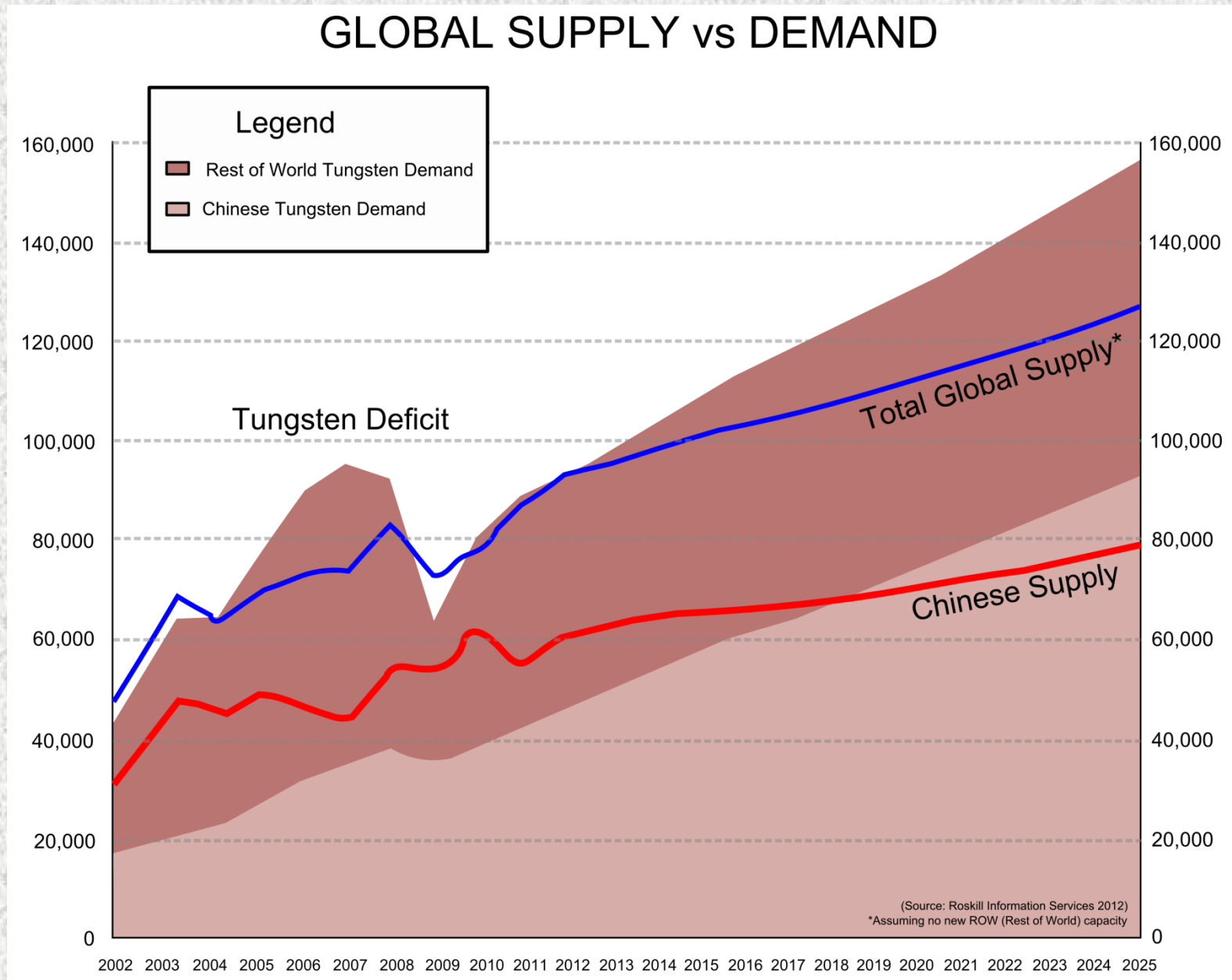
RISKS

- Landholder and community relationships
- Water allocation
- Ore processing strategies
- Timing on REF and environmental approvals processes
- Delays with funding
- Heterogeneity in grade and ore architecture
- Future Tungsten market price and demand

OPPORTUNITIES

- Mature infrastructure in place
- Mining method well understood
- Technically simple processing
- Water allocations from Beardy and Mole river catchments
- Low capital start-up project, allowing simplified permitting and approvals
- Significant growth in resource and revenue with small capital input
- Commodity prices favourable in a down market
- Topaz and Bismuth saleable byproducts
- Net revenue credits for any other minerals

TUNGSTEN – Supply and Demand



CONTACTS

Leon Pretorius (Technical)
Executive Chairman
Krucible Metals Limited
leon@kruciblemetals.com.au
0419 702616

Gordon Saul (Resources)
Managing Director
Resolve Geo Pty Ltd
gordonsaul@resolve-geo.com
07 3232 3400

Josh Puckridge (Corporate)
Fleming Australia
jp@flemingaustralia.com
0452 440100

- (1) All grades are reported as weight percentages, and Bismuth and Topaz is only reported within silicite bodies where the Tungsten grade is >630ppm (0.063%) WO_3 .
- (2) A Tungsten cut-off grade of 0.063% contained Tungsten (WO_3) has been derived from cost analysis contained within the Resolve Geo Pty Ltd financial model, and has been determined to exclude 20% of the known silicite ore from reporting to a resource estimation.
- (3). Contained Tungsten (WO_3) Range is calculated by multiplying the reported areal extent of silicite host rock by an estimated minimum and maximum thickness of silicite and minimum and maximum grades of Tungsten (WO_3) Bismuth and Topaz. 20% of the exploration target ore bodies has not been reported, as it is assumed to be below the WO_3 grade cut off of 0.063% based on analysis from resource areas

Competent person statement:

- An Exploration Target is a statement or estimate of the exploration potential of a mineral deposit in a defined geological setting where the statement or estimate, quoted as a range of tonnes and grade (or quality) relates to mineralisation for which there has been insufficient exploration to estimate a mineral resource. The Torrington Exploration Target is in the range of 33,200 to 116,850 tonnes of WO_3 and 2,861 to 22,702 tonnes of Bi and 1,853,705 to 6,519,010 tonnes of Topaz.
- The information in this report that relates to JORC Resources and the Exploration Target is based on information compiled by Gordon Saul, who is a Member of the Australasian Institute of Geoscientists. Gordon Saul is a full-time employee of Resolve Geo Pty. Ltd. Gordon Saul has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Gordon Saul consents to the inclusion in the report of the matters based on his information in the form and context in which they appear.