

Krucible Metals Limited

Quarterly Activities and Cash Flow Statement

For the 3 months ending 31 March 2015 (*Period*)

ASX Code: KRB
Shares on Issue: 80,508,565
Options (listed): 19,017,362
Options (unlisted): 2,000,000
Cash at Bank: \$9,345,000

Board of Directors

Dr Leon Pretorius -Exec. Chairman
 Dennis Lovell -Non Exec
 Josh Puckridge -Non Exec

Company Secretary

Mike Meintjes

Registered Office

C/- Coutts Redington, Chartered
 Accountants
 The Plaza, 278 Ross River Road
 Aitkenvale, Townsville QLD 4814

ABN: 12 118 788 846

www.kruciblemetals.com.au

About the Company

Krucible Metals Limited (**Company**) is a Public Company listed on the Australian Securities Exchange (ASX)

The Company underwent a change of Board and management in November 2014 and has completed an evaluation of all past commercial and operational activities.

The Company has recently announced the acquisition of the Torrington Tungsten Exploration Project

For enquiries please contact:

Josh Puckridge
 +61 (0) 452 440 100

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 subject to completion of any statutory requirements including rehabilitation and also to pursue Joint Venture partners where possible.

The Company has recently 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

The Company's summarised capital structure at 31 March 2015 is as follows:

Issued fully paid ordinary shares:	80,508,565
Listed Options (ASX: KRBO):	19,017,362
Unlisted Options:	2,000,000
Cash at Bank:	\$9.3 million

The Company's most recent audited financial report at 30 June 2014, half-year financial report at 31 December 2014 and all further information and references contained within this announcement should be considered to appreciate the Company's current and future financial position.

STRATEGIC REVIEW OF OPERATIONS

The Board, Management and an external consultant have completed a review of KRB's exploration tenements and while it has been established that there are some projects which may attract Joint Venture partners, the

majority of the tenements have been sufficiently explored to the point that the Company cannot warrant any further exploration expenditure. The Company intends to relinquish its low prospectivity holdings as soon as possible after all statutory requirements have been met, including rehabilitation. This evaluation resulted in the Board resolving to write off the balance of the capitalised exploration and evaluation expenditure resulting in an impairment charge of \$2,735,675 as at 31 December 2014.

RETURN OF CAPITAL

As announced on 26 February 2015, the Board, after considering the appropriate capital structure for KRB going forward, has come to the conclusion that a return of capital to shareholders of \$0.05 per share [Approximately \$4 million] (**Return**) is appropriate. The record date to be eligible to receive the Return and further details regarding the proposed Return will be contained in the Notice of Meeting (**NoM**) setting out the resolution to be put to shareholders to approve the Return.

The application for the ATO tax ruling on the capital return has been lodged by the Company and was received and acknowledged by the ATO on 22 April 2015.

Subject to the ATO tax ruling, the NoM is expected to be dispatched to shareholders in June 2015 and any approved capital return to take place in July 2015.

ACTIVITIES REPORT FOR THE QUARTER AND SUBSEQUENT ACTIVITIES TO THE DATE OF THIS REPORT

During the reporting period the three Townsville based employees, management and an external consultant concentrated their efforts on compiling tenement reports for past exploration activities and completing final reports for submittal once the tenements are relinquished. This work is ongoing and it is estimated will be completed by mid-May. Since its inception the Company had collected hundreds of samples, many of which were not assayed, these have been sorted and where determined to possibly be anomalous were sent for assay before being discarded. Unfortunately no values above background were returned and all samples have now been disposed of. A number of tonne of drill samples and other assay pulps in the Company's storage shed were either sent to the relevant State departments where requested, or disposed of.

An experienced rehabilitation team was assembled who in conjunction with a Krucible employee and property owners commenced activities in March using local rental earthmoving machinery where necessary. This work was completed to best practice standards on 28 April over all areas where Krucible had conducted work in the past. Pending sign-off by landowners and meeting the requirements of the necessary authorities, this finalises the Company's rehabilitation liabilities although there may be some minor maintenance work required in future.

Management and an external consultant continued the search for a project that would allow Krucible to chart its new future. After evaluating a number of projects (Australia-wide and two offshore) under confidentiality agreements it was decided to focus on the Torrington historic tungsten mining area held under exploration licences by Resolve Geo (Pty) Limited (Resolve) in north-eastern New South Wales. Krucible reached agreement with Resolve to acquire 100% of EL 8258 and EL 8355 subsequent to quarter end as announced to the ASX on 15 April 2015.

Shareholders and potential investors should also read the following announcements made regarding this topic:

15 April 2015: Acquisition of Torrington Tungsten Exploration Project and Presentation.

22 April 2015: Broker Presentation-April 2015.

As part of this acquisition, Resolve's technical personnel will be contracted to conduct the exploration at Torrington under Krucible's direction. As a result of this and the Company's change in direction the two technical staff members in Townsville have been given notice in terms of their contracts. The Company will also be relocating its office to Brisbane which is the closest city to Torrington. A single office space will be sublet from Resolve in their premises. The long serving Townsville office manager was offered the same position in Brisbane once that office is closed, but she unfortunately declined. She will remain until the year-end financial reports are complete – probably end-August. Given the Company's simplified structure and activities by focusing on one project, a part-time bookkeeper / office manager will be employed.

The sale of the Townsville office which was purchased in the second-half of 2014 was advertised and a purchase agreement entered into on 23 April 2015 with a deposit made into the agent's trust account. Krucible will remain in the premises as a tenant once the transfer occurs on a 30-day roll-over basis.

TORRINGTON PROJECT COMPLETION AND SHORT-TERM PLANNED ACTIVITIES

Resolve has applied to the NSW Trade & Investment – Division of Resources & Energy (DRE) for the transfer of the two ELs to Krucible's 100% owned subsidiary Torrington Minerals (Pty) Limited which is a condition for completion of the purchase. Krucible in its turn has written to the DRE motivating for the transfer based on the Company's cash resources, dedication to the project and technical expertise. Krucible's management has presented its case to DRE officers and employees in Maitland and will remain in communication with the DRE throughout the process.

A detailed aerial LiDAR survey using a plane equipped with two lasers was completed in March and Resolve's in-house interpretation of the data and compilation of the detailed topographic maps is underway. Due to the use of

two lasers the resolution accuracy is approximately 5cm and this data will be invaluable in positioning the previous drill holes and workings, both of which will allow for more of the historic data to be included in the existing JORC Code resource estimate which should be completed in early June.

The Company management and Resolve employees have commenced field mapping and compiling drill programmes for inclusion in the submission to the DRE for approval of its planned exploration activities under its Reviews of Environmental Factors (REFs). It is envisaged that the REF procedures and applications will commence in mid-May and that the process could take 4 to 6-weeks. Once approvals are received drilling can commence. The drilling programme will be designed to further expand on the present JORC Code resource areas and to evaluate potential continuation of mineralisation under cover which has not previously been tested. Both the RC and diamond drilling rigs to be employed will have a small footprint to minimise environmental disturbance and given that the holes are not expected to exceed 50m deep this will be possible. Diamond drilling will use mobile mud tanks. It is estimated that the programme will entail in the order of 13,000m of RC and 3,000m of diamond drilling.

The Company's stated aim to develop a project processing in the order of 500,000 to 750,000 tpa of ore requires proven resources of up to 10Mt to allow for a 10-year project life.

A senior lands administrator of the Forest Corporation of NSW has visited proposed drill sites in the State Forest portion of the ELs as part of their evaluation for the grant of access and determining compensation agreements. Landowner agreements are yet to be entered into.

A meeting was also held with the Tenterfield Manager and the Director of Strategic Planning and Environmental Services to introduce Krucible and the Torrington Project to them.

Interviews have been held with prospective environmental consultant groups and companies that are capable of undertaking the EIS studies, report compilations and lodging permit applications. Given that some of the ecological (Fauna and Flora) studies need to evaluate seasonal changes, Krucible will most likely commit to commencing these in the coming spring even though the drilling and resource work will not be complete to save time and potential delays in future.

It is envisaged that the Company will install a sample preparation facility in or near the Torrington township and that the Company will use its portable XRF instrument as a desktop unit as a first pass evaluation technique to act as a guide for the drilling programme prior to dispatching samples to a third party laboratory.

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

Dr Leon Pretorius

Executive Chairman

Krucible Metals Limited

30 April 2015

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.

KRUCIBLE METALS LTD
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 31 March 2015. There were no changes to beneficial interests held by the Company during the three months ending 31 March 2015.

SCHEDULE OF GRANTED TENEMENTS & EPM APPLICATIONS

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%	Tobermorey - NT	28170	5/04/2011
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%	Mosses Bore	25487	11/09/2014
KRB 100%	Flemington Fault	19099	25/09/2013
KRB 100%	Lukes Plot	17613	20/10/2010
KRB 100%	Cowie Mag	17921	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

-END-

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")

31 March 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (9 months) \$A'ooo
1.1	Receipts from product sales and related debtors	-	-
1.2	Payments for (a) exploration & evaluation	(223)	(849)
	(b) development	-	-
	(c) production	-	-
	(d) administration	(132)	(631)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	36	93
1.5	Interest and other costs of finance paid	-	(13)
1.6	Income taxes (paid)/R&D Offset received	-	91
1.7	Other	-	-
Net Operating Cash Flows		(319)	(1,309)
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	(4)	(150)
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	(2)	5
	Funds placed on term deposits(>3mths)	-	(4,025)
	Funds from expired term deposits (>3mths)	8,025	9,140
Net investing cash flows (See note 2 in section 1.25 below)		8,019	4,970
1.13	Total operating and investing cash flows (carried forward)	7,700	3,661

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	7,700	3,661
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	-	5
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	(108)	(136)
1.18	Dividends paid	-	-
1.19	Other (provide details if material)	-	-
	Net financing cash flows	(108)	(131)
	Net increase (decrease) in cash held	7,592	3,530
1.20	Cash at beginning of quarter/year to date	1,753	5,815
1.21	Exchange rate adjustments to item 1.20		
1.22	Cash at end of quarter (excl funds held on term deposit for > 3months- see 1.25 below)	9,345	9,345

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.

Included in Financing Cash Flows were the following items:

1. The finance leases over two motor vehicles owned by the Company and an item of field equipment were paid-out during the current quarter.

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	340
4.2 Development	-
4.3 Production	-
4.4 Administration	267
Total	607

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	150	617
5.2 Deposits at call or term < 3 months	9,195	1,136
5.3 Bank overdraft		
5.4 Other (provide details)		
Total: cash at end of quarter (item 1.22)	9,345	1,753

Changes in interests in mining tenements

+ See chapter 19 for defined terms.

Appendix 5B

Mining exploration entity quarterly report

		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 19027 EPMA25771	Exploration Permit for Minerals Application for an Exploration Permit for Minerals	100% 100%	0% 0%
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 (description)	-	-		
7.2	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3	*Ordinary securities	80,508,565	80,508,565	Various	Fully Paid
7.4	Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	-	-	-	-
7.5	*Convertible debt securities (description)	-	-	-	-

+ See chapter 19 for defined terms.

7.6	Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7	Options (description and conversion factor)	500,000 1,500,000 19,017,362	- - 19,017,362	Exercise price 15 cents 11.96 cents 5 cents	Expiry date 08/05/2015 28/11/2015 23/01/2016
7.8	Issued during quarter	-	-		
7.9	Exercised during quarter	-	-	-	-
7.10	Expired/Canceled during quarter	300,000	-	15 cents	28/02/2015
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: 30 April 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.

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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+ See chapter 19 for defined terms.