

**11 May 2015**

Australian Securities Exchange  
Exchange Centre  
20 Bridge Street  
Sydney, NSW 2000

**Clarifying Statement- ASX Announcement- 15 April 2015****Acquisition of Advanced Torrington Tungsten Exploration Project**

On 15 April 2015, Krucible Metals Limited (**Krucible**) (**Company**) (ASX: **KRB**) announced that it had entered into a binding agreement with Resolve Geo Pty Ltd (**Vendor**) to acquire two advanced Exploration Licences (**Tenements**) together with a significant database of mining and exploration information comprising the Torrington Tungsten Project (**TTP Project**).

The Company now wishes to clarify the assumptions implicit in the Initial Production Target Profile of 650,000 tpa (inclusive of dilution) at an ore grade of 0.22% WO<sub>3</sub> that was detailed in that announcement.

The Initial Production Target Profile was estimated by applying the average WO<sub>3</sub> grade of 0.22% for the JORC compliant resource component of the ore feed, and a WO<sub>3</sub> grade of between 0.12% and 0.5% for 80% of the ore feed derived from deposits with current Exploration Target estimates. The first 1.8yrs of production comprise 28% of Indicated Resources and 72% of Inferred Resources, with following years comprising 100% Exploration Target tonnage.

The Company provides the following cautionary statements in accordance with ASX Listing Rule 5.16.4 and 5:

*The Initial Production Target Profile is based on a part inferred mineral resources and, as such, under this low level of geological confidence 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; and*

*The potential quantity and grade of Exploration Target is conceptual in nature, there has been insufficient exploration to determine a mineral resource and there is no certainty that further exploration work will result in determination of mineral resources or that the Initial Production Target Profile itself will be realised*

The Initial Production Target Profile stated in this announcement is based on a scoping study completed by Resolve Geo Pty Ltd in 2014, and includes the following assumptions:

Minimum Life of Mine ("LOM")	10 years
Minimum Average LOM Production	770T WO <sub>3</sub>
Mining Method	Open Pit
Average LOM Strip Ratio	0.3 : 1 (assuming 30% dilution)
Mining Cut-Off Grade	0.063% WO <sub>3</sub>
Average Mining Costs	Au\$9.36 (assume contract miners)
Processing Method	Gravimetric
Ore Processing Rate	650,000 tpa
Average Mill Feed Head Grade	0.22% WO <sub>3</sub>

Metallurgical Recovery	70%
Average Processing Cost	Au\$10.34
General and Administrative Costs	Au\$1.98/tonne Processed
Upfront Capital Costs	Au\$27.8m (includes 15% contingency)
Discount Rate	10%
WO <sub>3</sub> Price	US\$270/Mtu

*For, and on behalf of, the Board of Directors,*

***Dr. Leon Pretorius***

*Executive Chairman*

*Krucible Metals Limited*

*For further information please contact Josh Puckridge – Mobile +61 (0) 452 440 100*

### **Competent Person's 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<sub>3</sub> 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 Mineral 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.*

## Appendix 1- Overview of the Transaction and Project as previously included in the 15 April 2015 Announcement

### Transaction Overview

- Krucible will acquire the Project for the initial issue of 12,000,000 Fully Paid Ordinary Shares in the Company and,
- subject to shareholder approval, issue up to a further 12,000,000 Fully Paid Ordinary Shares on the satisfaction of certain prescribed milestones.
- Shares issued to the Vendor in consideration for the Project will also be subject to escrow provisions.
- The Company will also reimburse the Vendor A\$135,000 in past exploration expenses.
- The Fully Paid Ordinary shares issued under the Transaction will not be entitled to the Company's proposed A\$0.05 per share Capital Return.

### Project Overview

- Krucible will hold 100% of Exploration Licences 8258 and 8355 on completion of the Transaction;
- Krucible to immediately begin an intensive exploration drilling programme to increase the present JORC resource base;
- The Project area encompasses numerous old shallow Tungsten mines and contains a small JORC 2012 Tungsten (and Topaz) Resource and sizeable exploration target with the potential for significant exploration upside in the short term from the Company's proposed exploration plan and revised resource modelling;
- Results from a recently flown LiDAR survey (high definition topography) have been received and the current JORC (2012) resource estimates are under review;
- Initial target production profile is 650,000tpa (inclusive of dilution) at an ore grade of 0.22% WO<sub>3</sub> (As per ASX Listing Rule 5.16.4 the Company clarifies this production profile is based on a part inferred mineral resources and, as such, under this low level of geological confidence 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);
- The Company estimates 18 months to the completion of an Environmental Impact Statement (EIS);
- Krucible believes a Mining Operations Plan should be approved within 4 months of the EIS approval;
- Krucible will continue the Project's metallurgical studies and collecting environmental baseline data and commence the Project's EIS; and
- Dr Leon Pretorius has extensive recent experience in bringing a Tungsten project into production as the former Executive Chairman of Carbine Tungsten Limited (ASX: CNQ), which is now a current Tungsten producer; Dr Pretorius presided over the initial capital raising and development of its Mt Carbine project.

The Torrington Project is located in New South Wales approximately 35km south of the Queensland border near the New South Wales town of Tenterfield and maintains excellent infrastructure including a 22 kVA powerline to site.

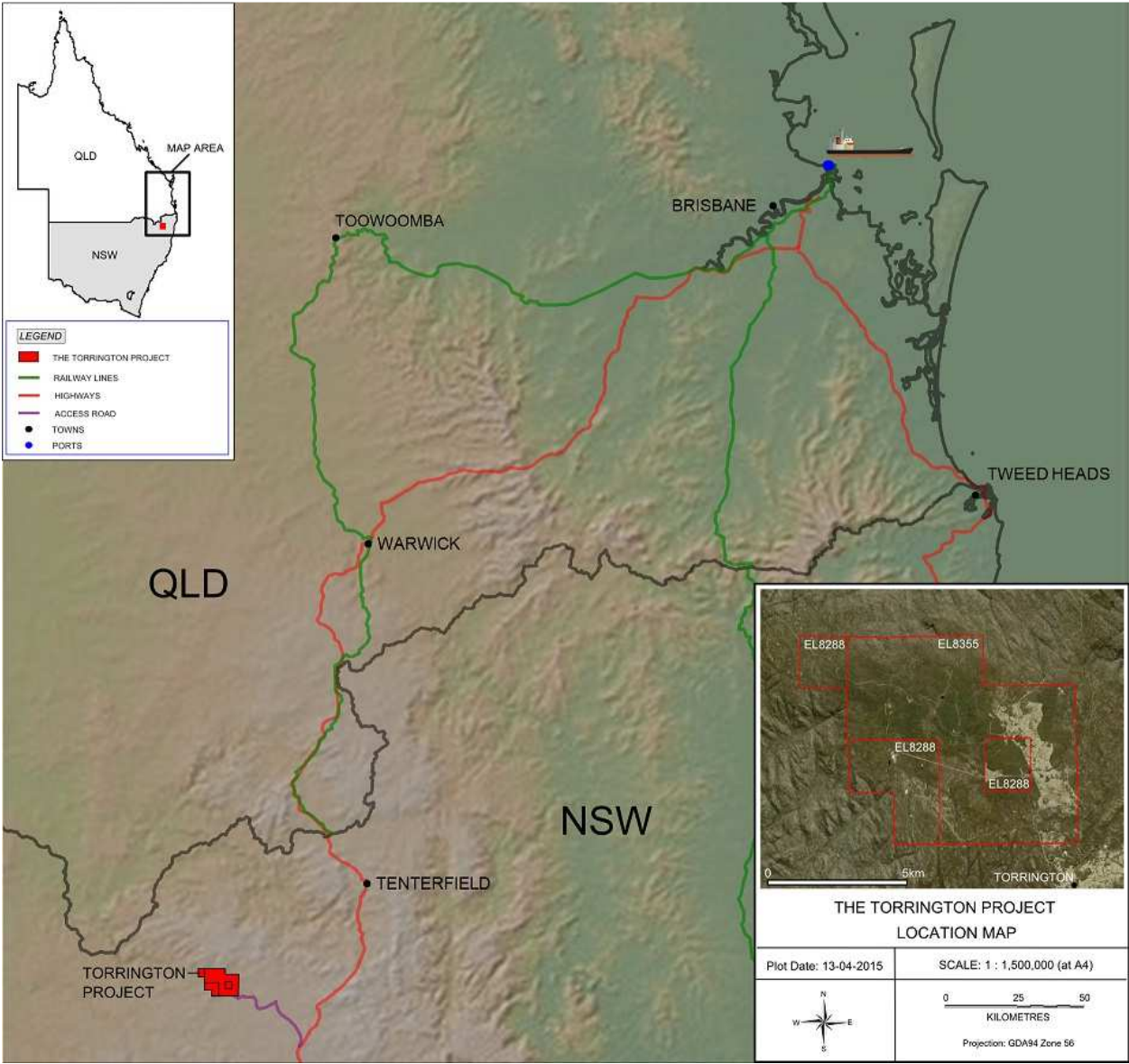


Figure 1: Project Location