

KING ISLAND
SCHEELITE



The Dolphin Tungsten Project

Investor Presentation September 2021

THE DOLPHIN TUNGSTEN PROJECT

100% KIS OWNED

Fully permitted, high grade – low-cost project, with a clear pathway to near-term production



ALL APPROVALS GRANTED

Mining license, environmental approval (EPA) and further exploration licences – “Shovel Ready”



LONG MINE LIFE WITH SUBSTANTIAL UPSIDE

Current project life of 14 years with significant potential for expansion/extension at nearby Bold Head and additional exploration leases



HISTORICAL OPERATIONS

Mine operated from 1917 to 1990 – closed due to low APT prices (US\$50/mtu - 1990 vs ~US\$310/mtu as at 3 September 2021)¹



EXISTING INFRASTRUCTURE

KIS owns all associated land and Dolphin is 1km from the Port of Grassy and existing infrastructure, substantially reducing CAPEX



HIGH GRADE – LOW COST

One of the world’s highest grade tungsten deposits – 0.92% WO₃ Reserve²



OFF-TAKE SECURED

Agreements signed for approx. 70% of annual production



SUPPORTIVE TIER 1 JURISDICTION

\$10m in loan funding secured for Tasmanian Government



CRITICAL INDUSTRIAL METAL

Tungsten is ranked as a ‘critical’ mineral and is a key input to industries vital to national security with the global Tungsten market projected to grow at 2.9% between 2020 and 2030, historically 2007 to 2020 - 3.4% CAGR³



ROBUST PROJECT ECONOMICS

Revised Feasibility Study in December 2020 delivered an NPV₈ of A\$241m with capex of A\$73m and cash operating costs of A\$126/mtu WO₃ with operating margin at current prices of ~A\$195.00/mtu

PROJECT REDEVELOPMENT TIMELINE



\$33 MILLION DEBT FUNDING SECURED

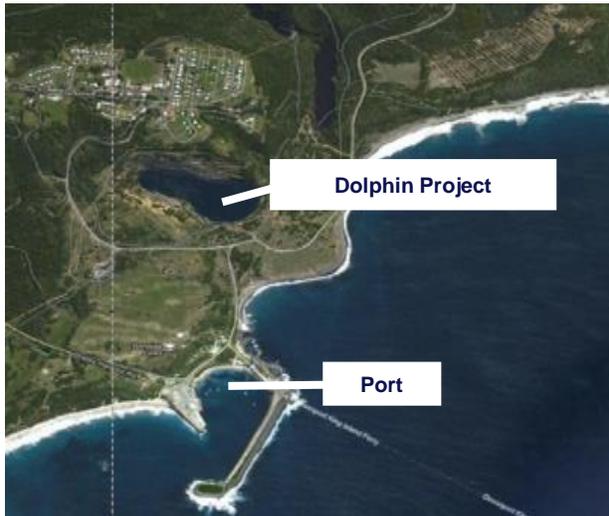
LONG TERM SUPPORT FROM COMMITTED PARTIES

- A syndicate comprising 4 major KIS shareholders and an external party have committed to provide \$33 million in debt funding
 - Facilities provided at a weighted average interest rate of ~7.25%
 - Subject to shareholder approval to be sought at the AGM scheduled for October 2021
- The new debt funding is in addition to the \$10 million Tasmanian Government loan
- A further \$10 million leasing facility on mobile equipment is currently being negotiated



LOCATION & EXISTING INFRASTRUCTURE

STRATEGIC LOCATION WITH DIRECT PORT ACCESS



The Dolphin Project is located near the town of Grassy, on the south east coast of King Island



KIS owns an adjacent property (Portside Links), providing the mine direct access to the Port of Grassy (**less than 1km away**)



The Port of Grassy accommodates 5,000 tonne vessels and is serviced weekly from Victoria and Tasmania

DOLPHIN PROJECT RESERVES & RESOURCES



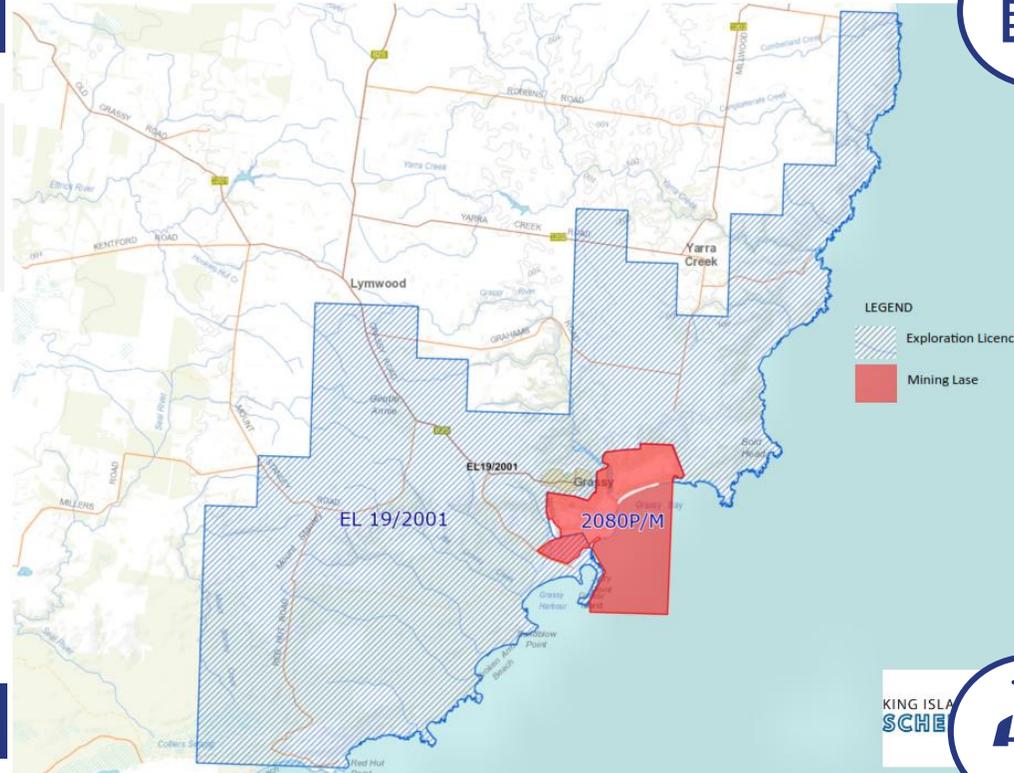
RESOURCE

Dolphin – 9.6M tonnes @ 0.90% WO_3
(0.20% cut-off)
Bold Head – 1.6M tonnes @ 0.91% WO_3
(0.50% cut-off)



HISTORICAL RECORDS

- Historical mine records reconcile extremely well with recent drilling
- Additional drilling allowed compliance with JORC 2012
- Mined 10M tonnes @ 0.67% WO_3



RESERVES

Open-cut – 2.9M tonnes @ 0.76% WO_3
(0.20% cut-off)
Underground – 1.5M tonnes @ 1.24% WO_3
(0.70% cut-off)

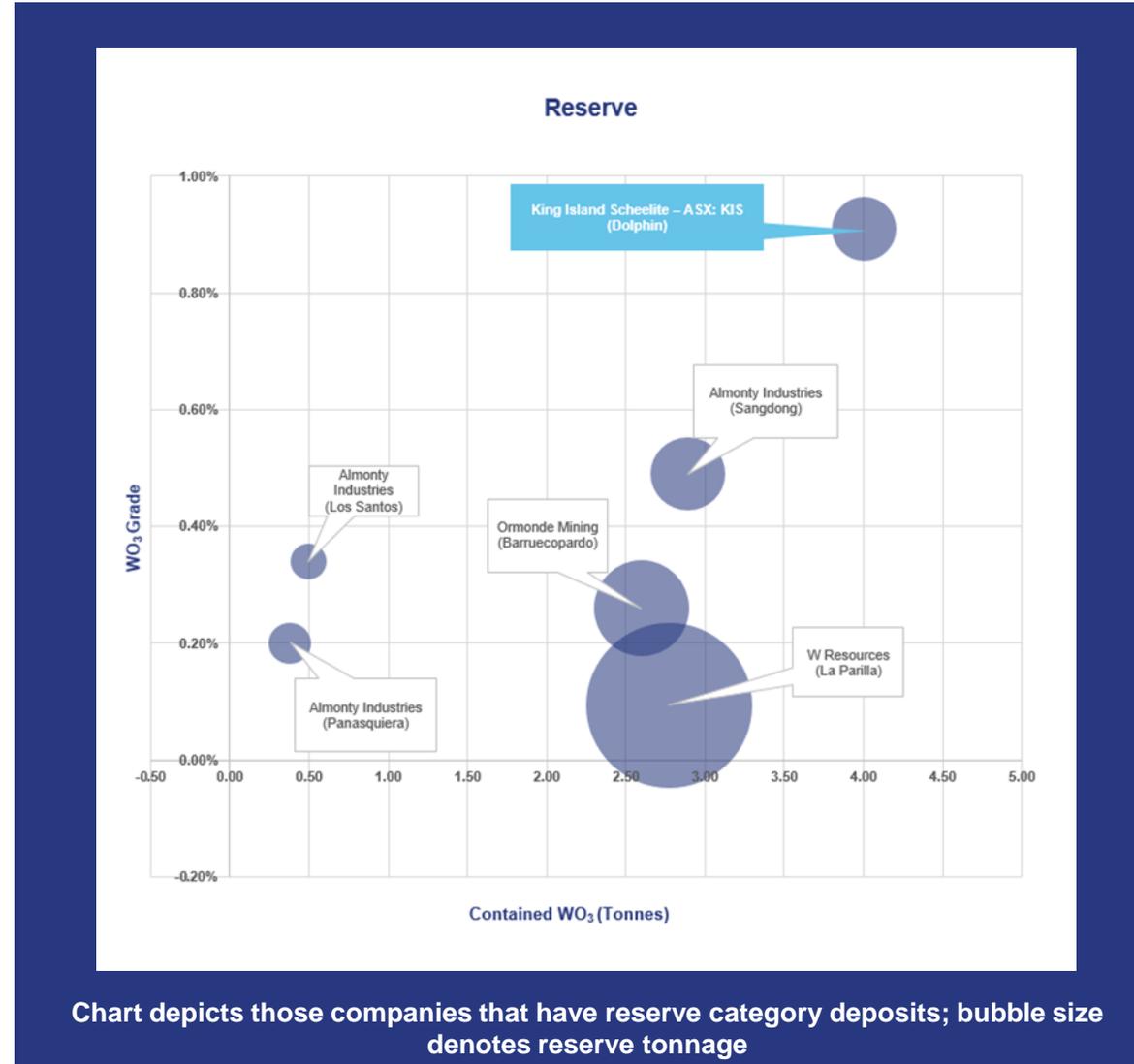


UNDERGROUND OPERATIONS

Revised Feasibility Study completed in December 2020 confirmed 6-year underground mine life, extending total project life to 14 years

KING ISLAND
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A WORLD-CLASS QUALITY DEPOSIT



ROBUST PROJECT ECONOMICS

REVISED FEASIBILITY STUDY WAS RELEASED IN DECEMBER 2020

A\$241m

NPV @ 8%
Pre Tax



A\$73m

Capex



AUD \$130/mtu WO₃

Opex



43%

IRR
Pre Tax



400,000 Tonnes Ore

Annual Mine
Production



AUD\$428/mtu

APT Price – 5 year ave
*WO₃ concentrate trades at an approx.
23% discount to APT



2.25 Years

Pay Back
Period



275,000 mtu WO₃

Annual Mine
Production



\$0.70 AUD/USD

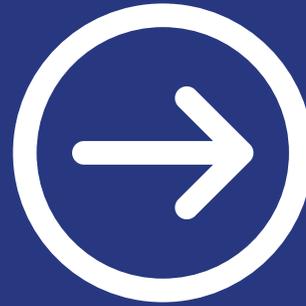
Exchange
Rate



SHOVEL READY PROJECT

FIRST CONCENTRATE ON TRACK FOR END OF CY22

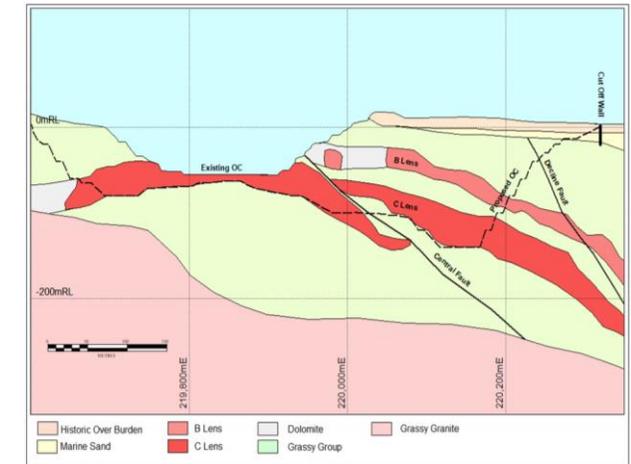
- Open-cut mine fully approved producing 400,000 tonnes of ore per annum, yielding around 237,000 mtu of WO3 for 8 years (1 mtu = 10 kg)
- Underground producing 300,000 tonnes yielding similar WO3 for 6 years
- Access to ore on start up
- Overburden rock pH neutral and non-acid forming
- Tailings Storage Facility on same footprint as existing area



Mining lease valid to 2029 and extendable

Environmental approval granted

Mining economic grade ore from day one



REDEVELOPMENT PLAN SIGNIFICANTLY DE-RISKED

FULLY PERMITTED WITH EXISTING INFRASTRUCTURE

- **EPA and Mining Approvals granted**

- Management Plans for construction and operations currently being prepared – Water and Rehabilitation Plans approved
- Experienced General Manager - Development & Operations to be residential and supported by competent well qualified team

- **Opencut Mining**

- Load & Haul by owner operator planned - Equipment to be supplied by William Adams – CAT in Burnie and orders pending
- Drill & Blast initial contractor option favoured with strong Tasmanian interest

- **Mineral Processing**

- Over past 8 years have concentrated on optimising flowsheet which has resulted in improvements in recovery, grade and significant reductions in operating costs These have been achieved through:
 - Introduction of Vertical Shaft Impact crushers – facilitating better separation via gravity
 - Introduction of Multi Gravity Separators to treat fine tails and remove calcite, resulting in up to 90% reduction in ore fed to flotation compared to earlier plant and elimination of acid leaching of flotation concentrate reducing cost and complexity
 - Gekko Systems – process engineers finalising detailed design will be contracted to build plant and potentially operate for 3 years
 - Contract documentation at an advanced stage to allow immediate commencement after financial close

- **Other Civils**

- Tailings Storage Facility design at an advanced stage – original facility footprint to be used

- **Accommodation and Staffing**

- Ownership of Grassy School House with commercial kitchen and mess hall. Area for transportables at rear and on nearby KIS land
- Agreement with Ballarat Clarendon College to purchase Grassy Campus with accommodation in 12 x 3 Bdrm houses available
- Pragmatic plans for construction workforce peak at 90 persons and sustainable operations of 65 FTEs personnel

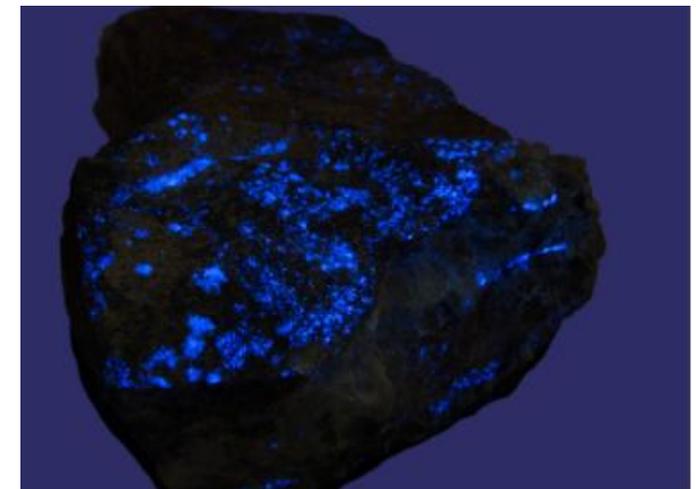
OFFTAKE AGREEMENT

WOLFRAM BERGBAU

- Agreement signed in April 2019 with Wolfram Bergbau und Hütten AG – a world leading supplier of tungsten powders and a subsidiary of the Sandvik Group
- Sandvik is a high-tech engineering group specialising in tools and tooling system for metal coating, equipment, tools and services for the mining and construction industries products in advanced stainless steel and special alloys
- Sandvik is a publicly traded company with a market cap of US \$35B
- Total of 35,000 mtu of WO₃ per year for 4 years, which accounts for approximately 20% of proposed annual production
- The price for the concentrate will be referenced to the APT price and is based on take or pay principles with downside protection

\$33M

At current tungsten pricing, the agreement represents approx. A\$33 million over four years



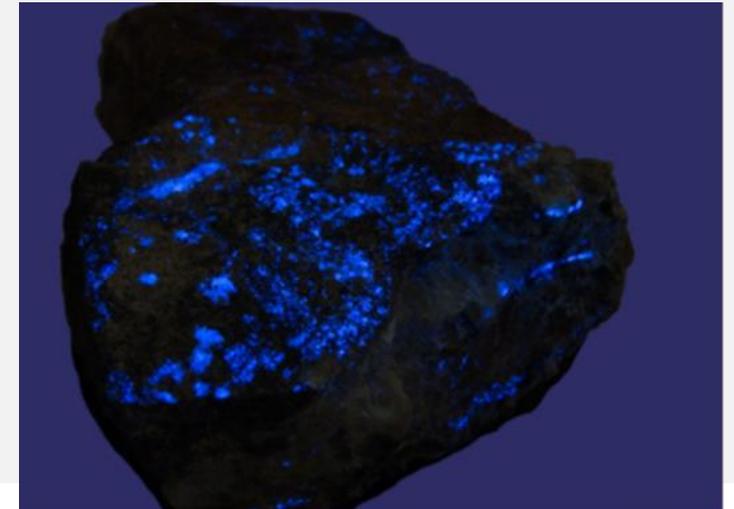
OFFTAKE AGREEMENT

Traxys Europe

- Agreement signed in September 2021 with leading international physical commodity trader Traxys
- Headquartered in Luxembourg, Traxys is engaged in the sourcing, trading, marketing and distribution of non-ferrous metals, ferro-alloys, minerals and industrial raw materials
- Total of 330,000 mtu of WO_3 , which accounts for approximately 50% of proposed annual production
- The price for the concentrate will be referenced to the APT price and is based on take or pay principles with downside protection

\$102M

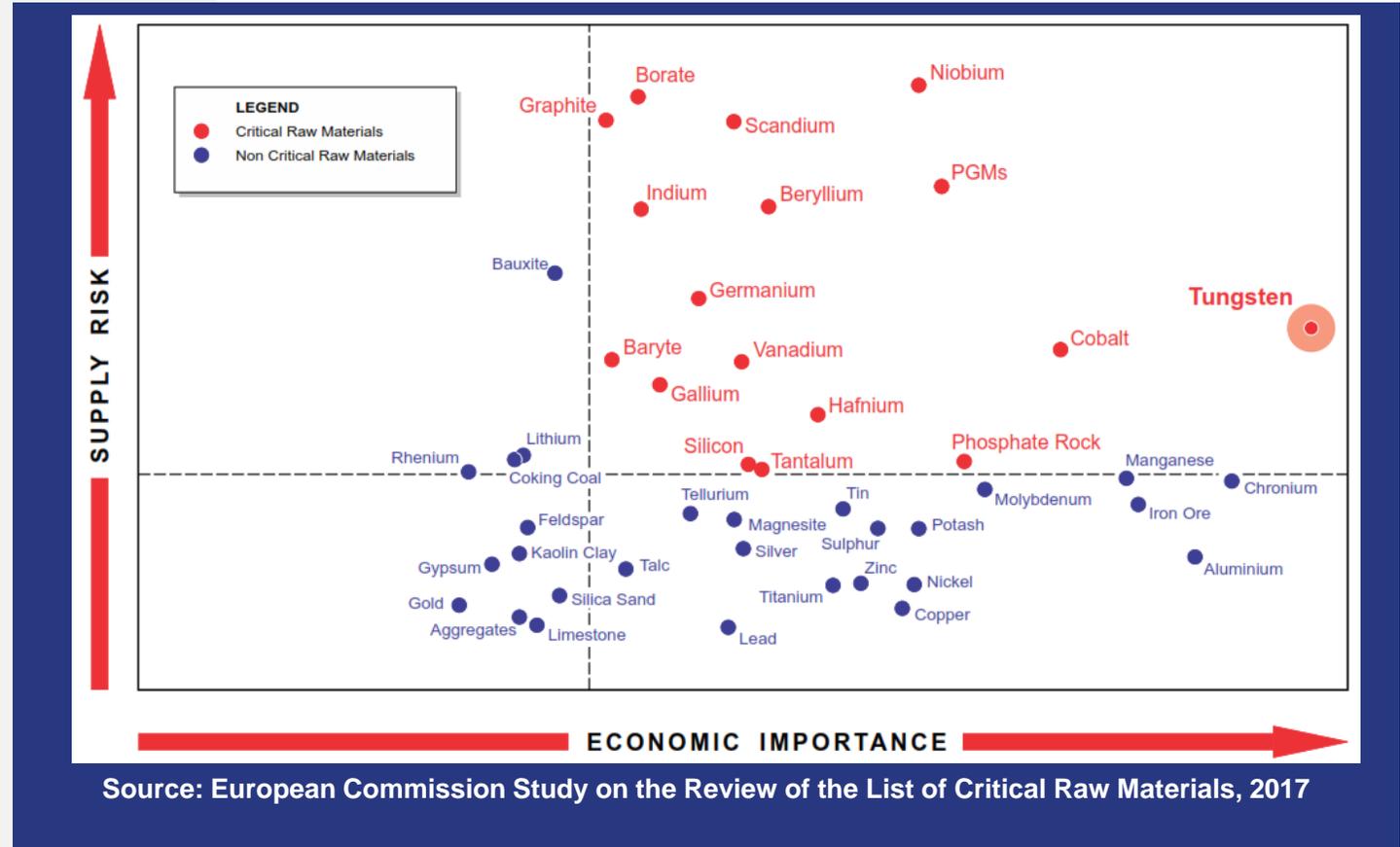
At current tungsten pricing, the agreement represents approx. A\$102 million over three and a half years



TUNGSTEN: A CRITICAL INDUSTRIAL METAL

AN ELEMENT OF GREAT ECONOMIC IMPORTANCE

- Tungsten is ranked by the British Geological Surveys, US Department of Defence, the European Commission, Japan, Russia and Australia as a '**critical**' mineral:
 - Due to its economic importance
 - Supply risk – dominance of China in the market
 - Inability to be substituted
- Tungsten is a key input to industries vital to national security:
 - With hardness second only to that of diamonds
 - The highest melting point of all metallic elements
- Diverse commercial, industrial and military applications:
 - Steel hardening, aeronautical and automobile manufacturing, armaments, semiconductors, electronics, lighting, rail, chemicals and high technology



DEMAND FOR TUNGSTEN

GROWING LIST OF END-USE APPLICATIONS



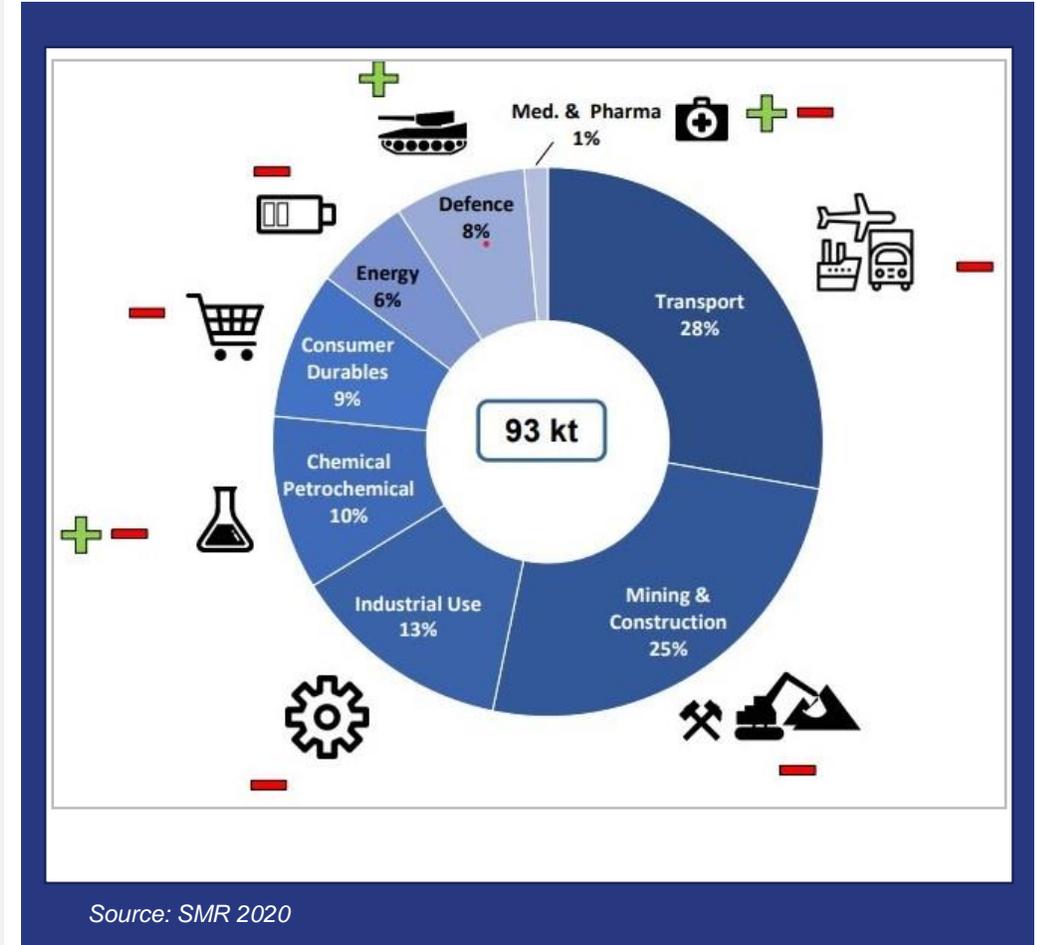
CURRENT

- Cemented carbides used in drilling tools and wear-resistant parts
- Alloy steels and alloys used primarily in tools
- Mill products
- Smart technologies (semiconductors)
- Powders now used in 3D printing and MRI machines



FUTURE

- Nickel-Tungsten alloys could potentially replace chrome plating as well as gold-nickel plating
- Deep drilling



TUNGSTEN

PRICE HISTORY

- 2017 saw prices rise significantly with expectations of stronger global growth and reduced supply from China - Fanya
- 2018/19 saw prices remain stable in the H1 of the year while prices pulled back in H2 due to seasonal recess and Fanya administration
- “China auctioned Fanya APT stocks in mid-September” - Argus Media, 30 August 2019
- Analysts expect long term prices to track back to above US\$280/mtu
- The average cost of production for Chinese producers is estimated to be US\$230/mtu
- September 2021 – APT price US\$310-315 mtu

EU APT PRICE (PER MTU)



Source: Argus Metals International

CORPORATE OVERVIEW

A\$0.175

Share Price
(as at 10/09/21)

409.0M

Shares on Issue

A\$4.6M

Cash
(as at 09/09/21)

A\$0.8M

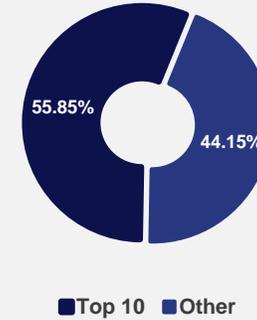
Deposits Paid for Long
Lead Items

A\$71.6M

Market Cap
(@ \$0.175)

Nil

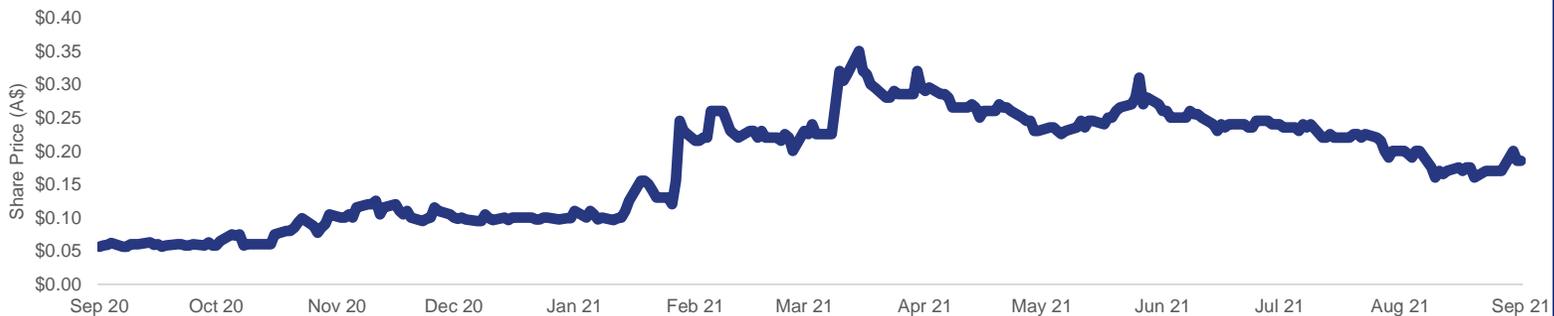
Debt



TOP 10 SHAREHOLDERS

1.	Richard & Gwenda Chadwick	18.45%
2.	Chris Ellis – Executive Director	16.84%
3.	D.A.CH.S. Capital AG	5.92%
4.	Anthony Haggarty	3.67%
5.	Catherine Morritt	2.89%
6.	Guiseppe Coronica & Yvonne Price	2.02%
7.	AJ & LM Davies	1.76%
8.	Citicorp Nominees Pty Limited	1.44%
9.	Johann Jacobs – Executive Director	1.43%
10.	Elphinstone Holdings Pty Ltd	1.43%

12 MONTH SHARE PRICE (as at 07/09/2021)



BOARD OF DIRECTORS

JOHANN JACOBS

Executive Chairman

Johann has held a number of executive roles over 40 years, in resource companies, where he's managed acquisitions, expansions or start-ups of mining operations in Australia, Indonesia and South Africa. His exposure in the mining industry includes coal, iron ore, uranium, oil and gas, gold and base minerals.

He is also a non-executive director of a number of private resource focused companies and was until 2020 a Non-Executive Director of Magnis Energy Technologies Ltd.

CHRIS ELLIS

Executive Director

Chris has over 40 years' experience in the exploration and mining industry in Australia and overseas. He was a founding member and Executive Director of coal mining company Excel Coal Limited which became Australia's largest independent coal mining company, before being acquired by Peabody Energy Inc. in October 2006 for A\$2 billion.

Chris has core skills in geology, mining engineering and minerals processing, in coal, gold, base metals and diamonds. Chris is a Non-Executive Director of Ausquest Limited.

GREG HANCOCK

Non-Executive Director

Greg is Managing Director of Hancock Corporate Investments P/L, a specialist Corporate Advisory practice. He is Non-Executive Chairman of Ausquest Ltd, BMG Resources Ltd, Cobra Resources Plc and Non-Executive director of Golden State Mining.

He was first Chairman and founding director of Cooper Energy Ltd.

Greg maintains an active and ongoing engagement with capital markets both in Australia and the United Kingdom.

DISCLAIMER

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Competent Person’s Statement

The Information in this presentation relating to Mineral Resources and Exploration Results are extracted from the following reports lodged as market announcements and available to view on the Company’s website www.kingislandscheelite.com.au:

- “Updated Resources Statement April 2015” released 24 April 2015
- “Updated Reserve Statement” released 21 September 2015
- “Updated Reserve Statement released 21 September 2015” released 20 October 2015
- “Dolphin Project Drilling Results April 2018” released 23 April 2018
- “Exploration Drilling Results May 2018” released 17 May 2018
- “Updated Feasibility Study and Mineral Resource” released 3 June 2019

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.



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