



Update Summary

Entity name

KING ISLAND SCHEELITE LIMITED

Announcement Type

Update to previous announcement

Date of this announcement

6/10/2021

Reason for update to a previous announcement

Share Purchase Plan total underwritten amount increased by 283,214 shares (AUD39,650). Corresponding increase in underwriting fees (AUD1,586). Increase in broker committed cash placement by 95,364 shares (AUD13,351). Corresponding increase broker fees (AUD801). Decrease in non-broker committed cash placement by 1,428,571 shares (AUD200,000). No change to underwriting or broker fees.

Refer to next page for full details of the announcement

Part 1 - Entity and announcement details

1.1 Name of +Entity

KING ISLAND SCHEELITE LIMITED

We (the entity named above) give ASX the following information about a proposed issue of +securities and, if ASX agrees to +quote any of the +securities (including any rights) on a +deferred settlement basis, we agree to the matters set out in Appendix 3B of the ASX Listing Rules.

If the +securities are being offered under a +disclosure document or +PDS and are intended to be quoted on ASX, we also apply for quotation of all of the +securities that may be issued under the +disclosure document or +PDS on the terms set out in Appendix 2A of the ASX Listing Rules (on the understanding that once the final number of +securities issued under the +disclosure document or +PDS is known, in accordance with Listing Rule 3.10.3C, we will complete and lodge with ASX an Appendix 2A online form notifying ASX of their issue and applying for their quotation).

1.2 Registered Number Type

ABN

Registration Number

40004681734

1.3 ASX issuer code

KIS

1.4 The announcement is☒ Update/amendment to previous announcement**1.4a Reason for update to a previous announcement**

Share Purchase Plan total underwritten amount increased by 283,214 shares (AUD39,650). Corresponding increase in underwriting fees (AUD1,586). Increase in broker committed cash placement by 95,364 shares (AUD13,351). Corresponding increase broker fees (AUD801). Decrease in non-broker committed cash placement by 1,428,571 shares (AUD200,000). No change to underwriting or broker fees.

1.4b Date of previous announcement to this update

4/10/2021

1.5 Date of this announcement

6/10/2021

1.6 The Proposed issue is:☒ An offer of +securities under a +securities purchase plan☒ A placement or other type of issue



Part 4 - Details of proposed offer under securities purchase plan

Part 4A - Conditions

4A.1 Do any external approvals need to be obtained or other conditions satisfied before the offer of +securities under the +securities purchase plan issue can proceed on an unconditional basis?

☒ Yes

4A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	4/11/2021	<input checked="" type="checkbox"/> Estimated	

Comments



Part 4B - Offer details

Class or classes of +securities that will participate in the proposed issue and class or classes of +securities proposed to be issued

ASX +security code and description

KIS : ORDINARY FULLY PAID

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

KIS : ORDINARY FULLY PAID

Maximum total number of those +securities that could be issued if all offers under the +securities purchase plan are accepted

122,685,865

Will the offer be conditional on applications for a minimum number of +securities being received or a minimum amount being raised (i.e. a minimum subscription condition)?

☒ Yes

Describe the minimum subscription condition

Under the SPP, the Company invites Eligible Shareholders to each participate by subscribing for a minimum of \$1,000 (Minimum Application Amount) of its ordinary shares at \$0.14 per New Share

Will the offer be conditional on applications for a maximum number of +securities being received or a maximum amount being raised (i.e. a maximum subscription condition)?

☒ Yes

Describe the maximum subscription condition

The Maximum Offer is 30% of total ordinary fully paid shares on issue, or 30% of 408,952,882 being 122,685,865 shares at \$0.14 each.

Will individual security holders be required to accept the offer for a minimum number or value of +securities (i.e. a minimum acceptance condition)?

☒ Yes

Is the minimum acceptance unit based or dollar based?

☒ Dollar based (\$)

Please enter the minimum acceptance value

\$ 1,000

Will individual security holders be limited to accepting the offer for a maximum number or value of +securities (i.e. a maximum acceptance condition)?



☒ Yes

Is the maximum acceptance unit based on dollar based?

☒ Dollar based (\$)

Please enter the maximum acceptance value

\$ 30,000

Describe all the applicable parcels available for this offer in number of securities or dollar value

Under the SPP, the Company invites Eligible Shareholders to each participate by subscribing for a minimum of \$1,000 (Minimum Application Amount) with staged increments of A\$1,000 up to a maximum of A\$30,000 (Maximum Application Amount) of its ordinary shares at \$0.14 per New Share

Offer price details

Has the offer price been determined?

☒ Yes

In what currency will the offer be made?

AUD - Australian Dollar

What is the offer price per +security?

AUD 0.14000

Oversubscription & Scale back details

Will a scale back be applied if the offer is over-subscribed?

☒ Yes

Describe the scale back arrangements

The Company may, in its absolute discretion, scale-back applications under the SPP. The Company may consider compliance with regulatory requirements; the amount applied for by each shareholder; the number of shares held at the record date and the closing date. The Company may scale-back applications below the minimum application amount. No interest will be paid on any Application Amount paid or refunded.

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Part 4C - Timetable

4C.1 Date of announcement of +security purchase plan

4/10/2021

4C.2 +Record date

1/10/2021

4C.3 Date on which offer documents will be made available to investors

7/10/2021



4C.4 Offer open date

5/10/2021

4C.5 Offer closing date

5/11/2021

4C.7 +Issue date and last day for entity to announce results of +security purchase plan offer

12/11/2021

Part 4D - Listing Rule requirements

4D.1 Does the offer under the +securities purchase plan meet all of the requirements of listing rule 7.2 exception 5 or do you have a waiver from those requirements?

☒ Yes

Part 4E - Fees and expenses

4E.1 Will there be a lead manager or broker to the proposed offer?

☒ No

4E.2 Is the proposed offer to be underwritten?

☒ Yes

4E.2a Who are the underwriter(s)?

Chrysalis Investments Pty Ltd as trustee for The Ellis Family Trust or nominee, and Elphinstone Holdings Pty Ltd

4E.2b What is the extent of the underwriting (ie the amount or proportion of the issue that is underwritten)?

Each underwriter is obliged to subscribe for up to \$2,769,825 of any shortfall arising under the SPP - totaling \$5,539,650.

4E.2c What fee, commission or other consideration is payable to them for acting as underwriter(s)?

Each underwriter earns a fee of 4% of the amount underwritten (\$2,769,825), being \$110,793 each - totaling \$221,586.

4E.2d Please provide a summary of the significant events that could lead to the underwriting being terminated.

The underwriter's obligations cease when the first of the following events occur:

- (a) there is no shortfall;
- (b) notice of any shortfall is not provided by the Company as soon as practicable after SPP closure;
- (c) the underwriter lodges applications for the shortfall and application moneys are cleared; or
- (d) if the Company does not lodge a completed Appendix 2A by the lodgement date, no official quotation, there is a material omission from the SPP offer documentation or a named person withdraws consent, there is a restriction on allotment, a director of the Company is charged with an indictable offence, return of capital or members' approval for financial assistance is sought, the Company's banker issue a notice of demand, a material adverse effect, alteration of capital structure or constitution, default, investigation, prescribed occurrence or an insolvency event.

4E.2e Is a party referred to in listing rule 10.11 underwriting or sub-underwriting the proposed offer?

☒



– Yes

4E.2e (i) What is the name of that party?

Chrysalis Investments Pty Ltd as trustee for The Ellis Family Trust or nominee

4E.2e (ii) What is the extent of their underwriting or sub-underwriting (ie the amount or proportion of the offer they have underwritten or sub-underwritten)?

Up to \$2,769,825 of any shortfall arising under the SPP.

4E.2e (iii) What fee, commission or other consideration is payable to them for acting as underwriter or sub-underwriter?

A fee of 4% of the amount underwritten (\$2,769,825), being \$110,793.

4E.3 Will brokers who lodge acceptances or renunciations on behalf of eligible +security holders be paid a handling fee or commission?

☒ No

4E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed offer

Part 4F - Further Information

4F.01 The purpose(s) for which the entity intends to use the cash raised by the proposed issue

Fund redevelopment of the Dolphin project including purchase of long lead items, mobile mining equipment, completing construction of the processing plant, civil/infrastructure construction, contingencies, general working capital and transaction costs.

4F.1 Will the entity be changing its dividend/distribution policy if the proposed offer is successful?

☒ No

4F.2 Countries in which the entity has +security holders who will not be eligible to accept the proposed offer

Any country outside Australia and New Zealand

4F.3 URL on the entity's website where investors can download information about the proposed offer

<https://www.kingislandscheelite.com.au/>

4F.4 Any other information the entity wishes to provide about the proposed offer



Part 7 - Details of proposed placement or other issue

Part 7A - Conditions

7A.1 Do any external approvals need to be obtained or other conditions satisfied before the placement or other type of issue can proceed on an unconditional basis?

☒ Yes

7A.1a Conditions

Approval/Condition	Date for determination	Is the date estimated or actual?	** Approval received/condition met?
+Security holder approval	4/11/2021	<input checked="" type="checkbox"/> Estimated	

Comments

Part 7B - Issue details

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ Existing class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ASX +security code and description

KIS : ORDINARY FULLY PAID

Number of +securities proposed to be issued

181,859,649

Reason for the update of 'Number of +securities proposed to be issued'

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ Yes



In what currency is the cash consideration being paid?

AUD - Australian Dollar

What is the issue price per +security?

AUD 0.14000

Will these +securities rank equally in all respects from their issue date with the existing issued +securities in that class?

☒ Yes

Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?

☒ New class

Will the proposed issue of this +security include an offer of attaching +securities?

☒ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)

Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?

☒ No

Will the entity be seeking quotation of the 'new' class of +securities on ASX?

☒ No

ASX +security code

New class-code to be confirmed

+Security description

For each option, right to be issued one share for \$0.196 exercise price during the exercise period.

+Security type

Options

Number of +securities proposed to be issued

101,785,715

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

For nil consideration with warrants expiring on the date of each scheduled repayment under a debt facility agreement.

Please provide an estimate of the AUD equivalent of the consideration being

**provided for the +securities**

0.00000001

Will all the +securities issued in this class rank equally in all respects from their issue date?☒ Yes

Options details

+Security currency

AUD - Australian Dollar

Exercise price

AUD 0.1960

Expiry date**Details of the type of +security that will be issued if the option is exercised**

KIS : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

101,785,715

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.**Is the proposed security a 'New class' (+securities in a class that is not yet quoted or recorded by ASX) or an 'Existing class' (additional securities in a class that is already quoted or recorded by ASX)?**☒ New class**Will the proposed issue of this +security include an offer of attaching +securities?**☒ No

Details of +securities proposed to be issued

ISIN Code (if Issuer is a foreign company and +securities are non CDIs)**Have you received confirmation from ASX that the terms of the proposed +securities are appropriate and equitable under listing rule 6.1?**☒ No**Will the entity be seeking quotation of the 'new' class of +securities on ASX?**☒ No**ASX +security code**

New class-code to be confirmed

+Security description

For each option, right to be issued one share for \$0.21 exercise price during the exercise period.

+Security type

Options



Number of +securities proposed to be issued

46,428,571

Offer price details

Are the +securities proposed to be issued being issued for a cash consideration?

☒ No

Please describe the consideration being provided for the +securities

For nil consideration with warrants expiring on the date of each scheduled repayment under a debt facility agreement.

Please provide an estimate of the AUD equivalent of the consideration being provided for the +securities

0.00000001

Will all the +securities issued in this class rank equally in all respects from their issue date?

☒ Yes

Options details

+Security currency	Exercise price	Expiry date
AUD - Australian Dollar	AUD 0.2100	31/12/2025

Details of the type of +security that will be issued if the option is exercised

KIS : ORDINARY FULLY PAID

Number of securities that will be issued if the option is exercised

46,428,571

Please provide a URL link for a document lodged with ASX setting out the material terms of the +securities proposed to be issued or provide the information by separate announcement.

Part 7C - Timetable

7C.1 Proposed +issue date

3/12/2021



Part 7D - Listing Rule requirements

7D.1 Has the entity obtained, or is it obtaining, +security holder approval for the entire issue under listing rule 7.1?

☒ Yes

7D.1a Date of meeting or proposed meeting to approve the issue under listing rule 7.1

4/11/2021

7D.2 Is a party referred to in listing rule 10.11 participating in the proposed issue?

☒ Yes

7D.3 Will any of the +securities to be issued be +restricted securities for the purposes of the listing rules?

☒ No

7D.4 Will any of the +securities to be issued be subject to +voluntary escrow?

☒ No

Part 7E - Fees and expenses

7E.1 Will there be a lead manager or broker to the proposed issue?

☒ Yes

7E.1a Who is the lead manager/broker?

Canaccord Genuity (Australia) Limited (Canaccord) and PAC Partners Securities Pty Ltd (PAC Partners) (together the Joint Lead Managers).

7E.1b What fee, commission or other consideration is payable to them for acting as lead manager/broker?

A total of 6% of \$14,313,350 (\$858,801)

7E.2 Is the proposed issue to be underwritten?

☒ No

7E.4 Details of any other material fees or costs to be incurred by the entity in connection with the proposed issue



Part 7F - Further Information

7F.01 The purpose(s) for which the entity is issuing the securities

Fund redevelopment of the Dolphin project including purchase of long lead items, mobile mining equipment, completing construction of the processing plant, civil/infrastructure construction, contingencies, general working capital and transaction costs.

7F.1 Will the entity be changing its dividend/distribution policy if the proposed issue proceeds?

☒ No

7F.2 Any other information the entity wishes to provide about the proposed issue

7F.3 Any on-sale of the +securities proposed to be issued within 12 months of their date of issue will comply with the secondary sale provisions in sections 707(3) and 1012C(6) of the Corporations Act by virtue of:

☒ The publication of a cleansing notice under section 708A(5), 708AA(2)(f), 1012DA(5) or 1012DAA(2)(f)