

Investor Presentation

September 2014



Disclaimer...



This presentation has been prepared by King Island Scheelite Limited ("KIS") and contains certain forward-looking statements which have not been based solely on historical facts but, rather, on KIS current expectations about future events and on a number of assumptions which are subject to significant uncertainties and contingencies many of which are outside the control of KIS and its directors, officers and advisers.

Due care and attention has been taken in the preparation of this presentation. However, the information contained in this presentation (other than as specifically stated) has not been independently verified for KIS or its directors and officers, nor has it been audited. Accordingly, KIS does not warrant or represent that the information contained in this presentation is accurate or complete. To the fullest extent permitted by law, no liability, however arising, will be accepted by KIS or its directors, officers or advisers, for the fairness, accuracy or completeness of the information contained in this presentation.



King Island Scheelite Limited



King Island Scheelite Limited (“KIS”) is 100% owner of the tenements comprising the previously mined Dolphin deposit at Grassy, King Island Tasmania.

The current development plan envisages a 4 to 5 year open-cut operation commencing mid 2016 followed by a 9 year underground operation, producing approximately 280,000 mtu’s of WO_3 per annum.

The mine previously operated from the early 1900’s but was forced to close down in the early 1990’s due to poor tungsten prices.

More information can be obtained from www.kingislandscheelite.com.au



Recent Highlights



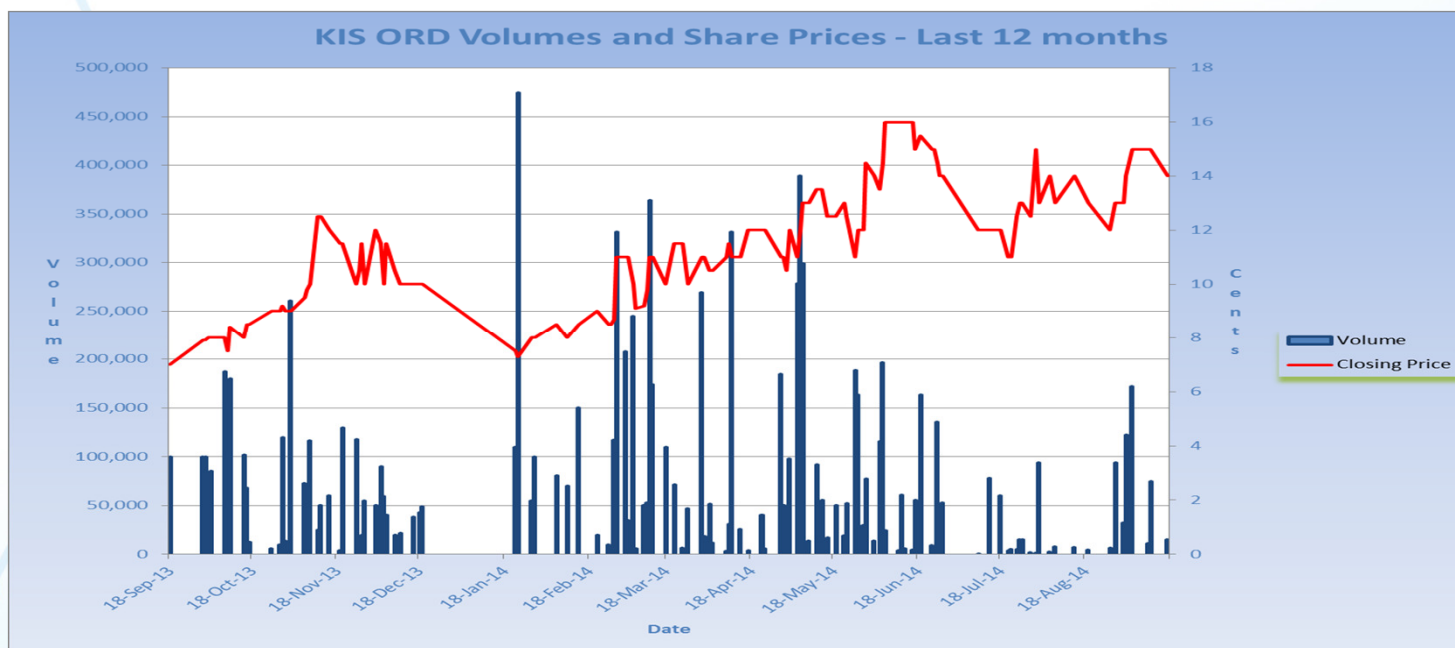
- ❑ **Dewatering of void commenced in early July:**
 - First 8 weeks of pumping at an average 400 litres/second
 - By mid September approximately 1,800 ML had been pumped into Grassy Bay
 - Operation has fully complied with EPA conditions and is expected to be complete by first week of October 2014
- ❑ **Drilling Programme has been developed to follow completion of dewatering**
 - 2,000 metre diamond core programme
 - To confirm open-cut reserves/resources
 - Provide additional core for metallurgical testwork
 - Programme to be completed by early January 2015
- ❑ **Mining Lease issued Mid June 2014**
- ❑ **Successful capital raising completed in August 2014 (A\$2.0M)**
- ❑ **Substantial progress made on off-take and debt financing**



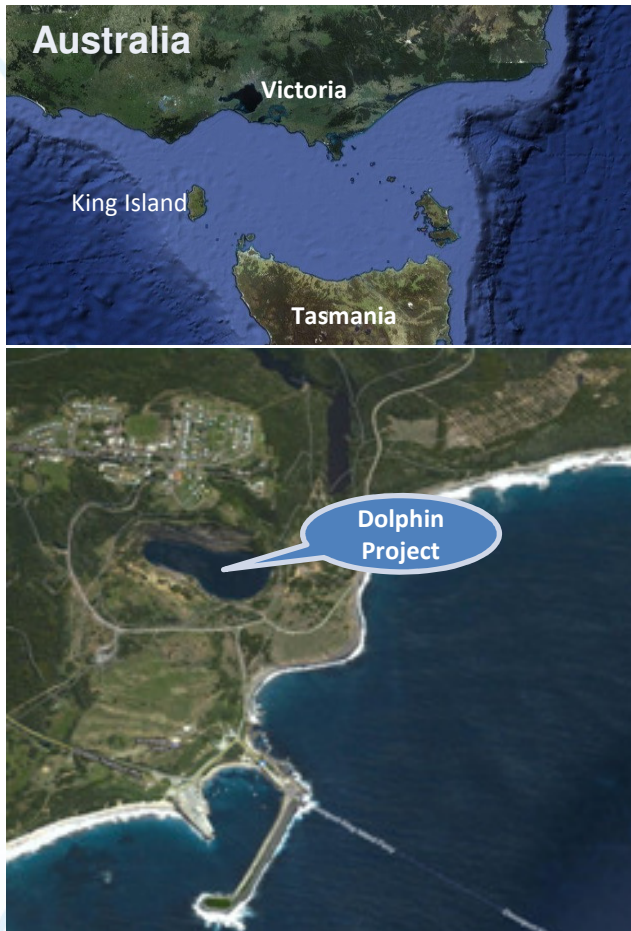
King Island Scheelite Limited



ASX: (KIS)	Market Capitalisation \$21.2million @ \$0.14	Shares on issue +/- 150 million
Board / Management	Johann Jacobs Allan Davies Chris Ellis Ian Morgan Alvin Johns	Exec Chairman Non Exec Director Exec Director Company Secretary Project Manager



Dolphin Project



- ❑ 100% ownership
- ❑ Average headgrade of 0.81%WO₃
- ❑ 245 Hectares of freehold land owned
- ❑ Current leases and tenements
 - ✓ Exploration
 - ✓ Mining Lease granted June 2014
- ❑ Environmental approvals
- ❑ Development approvals
- ❑ Significant infrastructure in place
- ❑ Definitive Feasibility Studies (DFS) completed in 2006 and 2012
- ❑ Value Engineering completed May 2013 enhanced by Revised Feasibility Study mid 2014



Previous Feasibility Studies



❑ 2006

- Based on a large open-cut mine extending into Bass Strait
- Aborted after KIS signed a JV with Hunan (China) who believed underground was a better development option

❑ 2012

- Based on total underground operation with whole of ore flotation
- Feasibility study completed by GHD and GR Engineering & Services in December 2011
- Hunan taken over by MinMetals – project too small - wished to park it
- KIS negotiated dissolution of JV
- Project economics were not conducive to development



New Development Plan



❑ Studies completed in 2014 resulted in: Resources

- Resources containing 1.97 Mt of ore at 0.55% WO_3 in the existing pit floor and walls to be recovered over 4 years
- Ore extracted from this cut-back will be in addition to previously defined reserves
- Low waste to ore ratio will ensure mining costs remain low during the initial years of operation

❑ Capex Savings / Deferrals

- Eliminating/delaying marginal tailings retreatment and associated capex
- Deferring Bold Head underground and associated costs
- Change in processing circuit to include gravity circuit and simplified flotation circuit
- Other significant reductions in capital identified in procurement of plant



New Development Plan - cont'd



□ Operating Costs

- Open-cut ore substantially lower mining cost than underground ore on a \$/mtu basis
- First 4 years operations will fund development of underground mine
- Reduction in labour costs due to fewer people, changed roster and minimising FIFO

□ Approvals

- Existing regulatory approvals do not require significant amendment



Capital Cost of Project



	\$ Million
Mobile Mining Fleet	7.0
Other Open Cut Mining	1.5
Crushing	2.6
Processing	34.3
Tailings	1.4
Administration	2.4
Bonds	3.0
	<u>52.2</u>
Contingency/working capital	7.8
	<u>60.0</u>



Production Fundamentals



Average Annual Production Profile

	Years 1 – 4 Open Cut	Years 5 – 13 Underground
Waste Removal (kt)	1.200	-
Ore Mined (kt)	500	340
Ore Processed (kt)	400	400
Grade in Situ	0.55%	1.02%
Concentrate 65% (t)	<u>4300</u>	<u>4900</u>
WO ₃ kmtu	<u>280</u>	<u>320</u>



Average Annual Revenue and Costs



	Years 1 – 4 Open Cut	Years 5 – 13 Underground
Revenue (Net Royalties) \$/Mtu	260.00	260.00

Costs Mtu Recovered

Mining	29.00	90.00
Crushing	8.00	4.00
Processing	70.00	45.00
Total Costs	<u>107.00</u>	<u>139.00</u>



Peer Comparison



	KIS	WOLF	ORMONDE
Resource Grade %WO ₃	0.81%	0.14%	0.29%
Estimated Mineable (kmtu's)	4,130	5,340	2,610
Annual Saleable Production (kmtu's)	300	350	230
Mine Life (yrs)	13	10	9
Capital Expenditure (A\$M)	60	228	72
Operating Cost A\$/mtu O/C	107	121	147
Operating Cost A\$/mtu U/G	139		
Market Capitalisation (A\$M)	21	230	42



Resource Statement



Dolphin Resources

	Grade cut-off (WO ₃ %)	Measured (Mt)	Indicated (Mt)	Measured & Indicated (Mt)	In-situ Grade (WO ₃ %)	Tonnes WO ₃ Insitu
Initial Start-up area (4 yrs)	0.20		1.93	1.93	0.55	10,615
Old Tailings Resource	0.10	2.7		2.70	0.17	4,590
Remaining Mining area	0.20		8.89	8.89	0.87	77,343

Total Dolphin Resource	0.20	2.7	10.82	13.52	0.68	92,548
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Shareholder Register



Number of Shares on Issue	152.1 million
Number of Shareholders	942
Top 10	64%
Top 20	75%

□ Top 10 Shareholders at 15/09/2014

Rank	Name	Number of Shares	Ownership
1	CHRYSLIS INVESTMENTS PTY LTD	22,037,750	14.49%
2	MR RICHARD WILLMOT CHADWICK + MRS GWENDA ANN CHADWICK	21,950,685	14.44%
3	MRS CATHERINE JEANE MORRITT	13,972,014	9.19%
4	MR ANTHONY JAMES HAGGARTY	8,476,604	5.57%
5	MR GIUSEPPE CORONICA	7,588,602	4.99%
6	HFTT PTY LTD <HAGGARTY FAMILY A/C>	6,522,348	4.29%
7	INVIA CUSTODIAN PTY LIMITED <PACIFIC ROAD PROVIDENT A/C>	5,625,548	3.70%
8	RANAMOK PTY LTD <RANAMOK FAMILY A/C>	5,170,590	3.40%
9	HUNAN NONFERROUS METALS CORPORATION LIMITED	4,450,000	2.93%
10	SERLETT PTY LTD <DILIGENT INV SUPERFUND A/C>	3,468,815	2.28%
	Total	99,262,956	65.28%



What Next!!



- Complete dewatering – 1st week October 2014
- Drilling programme – early October to early December 2014
- Analysis and metallurgical testing – 3rd week January 2015
- Final decision to proceed with re-opening mine 31 January 2015
- Potential Capital raising February – March 2015
- First production June 2016



Dewatering open-cut void



Compliance Statements



COMPETENT PERSON'S STATEMENT

The information in this report that refers to the 2014 Dolphin Mineral Resource Estimation, both open cut and underground was prepared in accordance with the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Tim Callaghan. This information was prepared and disclosed in an ASX report dated 14/7/2014 under the JORC CODE 2012 edition. The information has not materially changed since it was last reported.

Information in this report referring to the historic Tailings Dam Mineral Resources was prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Tim Callaghan. This information was prepared and disclosed in an ASX report dated 18/6/2011 and has not materially changed since it was last reported.

Mr Callaghan has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserve. Mr Callaghan consents to the inclusion in the report of matters based on his information in the form and context it appears.

FORWARD LOOKING STATEMENTS

Some statements in this announcement regarding estimates or future events are forward-looking statements. They involve risk and uncertainties that could cause actual results to differ from estimated results. Forward looking statements include but are not limited to, statements concerning the Company's exploration program, outlook, target sizes and mineralised material estimates. They include statements preceded by words such as "expected", "planned", "target", "scheduled", "intends", "potential", "prospective" and similar expressions.

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 Persons' findings are presented have not been materially modified from the original market announcements.



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