

NOTICE OF ANNUAL GENERAL MEETING

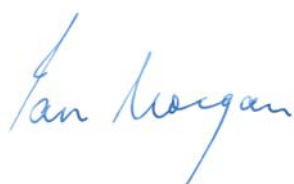
Notice is hereby given that the Annual General Meeting of members of King Island Scheelite Limited ABN 40 004 681 734 (**Company**) will be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000, commencing 10.00 am AEDT on Thursday 15 October 2015.

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Refer to the Explanatory Notes for further information on the proposed Resolutions.

Date: Thursday 10 September 2015

By order of the Board of King Island Scheelite Limited



Ian Morgan
Company Secretary

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1. ITEMS OF GENERAL BUSINESS

1.1. ACCOUNTS AND REPORTS

To receive and consider the financial statements and reports of the Company for the year ended 30 June 2015.

Note: There is no requirement for shareholders to approve these reports.

The statutory annual report is available for members to access and download from www.kingislandscheelite.com.au

If you would like to receive a hard copy of the statutory annual report free of charge you can contact King Island Scheelite Limited by telephoning +61 2 8622 1400.

1.2. ADOPTION OF THE REMUNERATION REPORT

Resolution 1

To consider and if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

That the Company adopts the Remuneration Report for the financial year ended 30 June 2015.

Notes:

- This Resolution is advisory only and does not bind the Company or the directors.
- The directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.
- The Chairman of the Meeting intends to vote all available proxies in favour of adopting the Remuneration Report.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must go up for re-election.

1.3. RE-ELECTION OF DIRECTOR – MR CHRISTOPHER ELLIS

Resolution 2

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That Christopher Ellis, a director retiring from office and eligible to be re-elected, be and is hereby re-elected as a director of the Company.

Notes:

- Mr Christopher Ellis has consented to be re-elected a director of the Company.
- The non-candidate directors unanimously support the re-election of Mr Christopher Ellis.
- The Chairman of the Meeting intends to vote all available proxies in favour of Mr Ellis's re-election.

2. ITEMS OF SPECIAL BUSINESS

2.1. APPROVAL OF 10% PLACEMENT FACILITY

Resolution 3

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

That for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the accompanying Explanatory Notes.

The Chairman of the Meeting intends to vote all available proxies in favour of approving the 10% placement facility.

2.2. APPROVE NON-EXECUTIVE DIRECTORS' REMUNERATION LIMIT

Resolution 4

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

For the purposes of the Company's Constitution Rule 19.5 and ASX Listing Rule 10.17, the maximum aggregate amount available for payment by way of remuneration to non-executive Directors is approved and unchanged at \$210,000 per annum.

The Chairman of the Meeting intends to vote all available proxies in favour of approving the non-executive Directors' remuneration limit.

3. VOTING RIGHTS AND PROXIES

- A member entitled to attend and vote at the meeting has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a member of the Company.
- A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the votes.

4. HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

5. VOTING EXCLUSIONS

Resolution 1

The Company will disregard any votes cast on Resolution 1 (remuneration report) by:

- (a) a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of such a member excluded from voting;
- (b) an Associate of those persons; and
- (c) as a proxy by a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote, if it is cast as a proxy for a person who is entitled to vote on Resolution 1, and:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form on the proxy form to vote as the proxy decides.

Resolution 3

The Company will disregard any votes cast on Resolution 3 (approval of 10% placement facility) by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) an Associate of that person.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 4

The Company will disregard any votes cast on Resolution 4 (non-executive Director fee limit) by:

- (a) a Director; and
- (b) an Associate of a Director.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

6. LODGING YOUR PROXY

Completed and signed proxies must be sent by:

- Hand delivery to the Company's registered office at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000;
- Scanning and emailing to Info@kisltd.com.au;
- Posting to King Island Scheelite Limited, GPO Box 5154 Sydney NSW 2001; or
- Facsimile to King Island Scheelite Limited on facsimile number +61 2 8622 1401

so that it is received not later than 10.00 am AEDT, Tuesday 13 October 2015.

7. DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the Corporations Act and ASX Settlement Operating Rule 5.6.1, the Directors have set End of Day on Tuesday 13 October 2015 as the time and date to determine holders of the Company's ordinary fully paid shares for the purposes of the Annual General Meeting.

Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

8. EXPLANATORY NOTES

8.1. FINANCIAL REPORTS

The Financial Statements, Directors' Report and Auditor's Report for the Company for the year ended 30 June 2015 will be laid before the meeting. There is no requirement for shareholders to approve these reports. However, the Chairman of the Meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company.

Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

8.2. REMUNERATION REPORT

The Remuneration Report of the Company for the financial year ended 30 June 2015 is set out in the Company's 2015 Annual Report which is available on the Company's website www.kingislandscheelite.com.au

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel. The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, shareholders will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the *Corporations Act*, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, shareholders will be required to vote at the second of those annual general meetings on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must go up for re-election.

The Company encourages all shareholders to cast their votes on Resolution 1 (Remuneration Report). Shareholders not attending the meeting may use the enclosed Proxy Form to lodge their vote by appointing a Proxy. Any undirected proxies held by the Chairman of the Meeting, other directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman of the Meeting pursuant to an express authorization on the Proxy Form made by a Shareholder who is entitled to vote on Resolution 1.

Key management personnel of the Consolidated Entity are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 30 June 2015. Their Closely Related Parties are defined in the *Corporations Act*, and include certain of their family members, dependants and companies they control. If you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Voting Form for that item of business.

Recommendation

Directors unanimously recommend that Shareholders approve the Remuneration Report.

8.3. RE-ELECTION OF DIRECTOR RETIRING BY ROTATION

Under ASX Listing Rule 14.4, a director must not hold office without re-election past the third annual general meeting following the director's appointment or three years, whichever is longer. A director who retires in accordance with these requirements is eligible for re-election.

An election of directors must be held each year. (ASX Listing Rule 14.5)

Rule 19.3(b) of the Company's constitution requires that no director (who is not a managing director) may hold office without re-election beyond the third annual general meeting following the meeting at which the director was last elected or re-elected.

The directors to retire under are those directors or director longest in office since last being elected. (Company constitution Rule 19.3(d))

The directors to retire (both as to number and identity) is decided having regard to the composition of the board of directors at the date of the notice calling the annual general meeting. (Company constitution Rule 19.3(e))

The Company may by resolution at an annual general meeting fill an office vacated by a director by electing or re-electing an eligible person to that office. (Company constitution Rule 19.3(f))

The retirement of a director from office under the Company's constitution and the re-election of a director or the election of another person to that office (as the case may be) takes effect at the conclusion of the meeting at which the retirement and re-election or election occurs. (Company constitution Rule 19.3(g))

Accordingly, Mr Christopher Ellis is due to retire at the end of the meeting and offers himself for re-election to the Board.

Christopher Ellis – Executive Director, B. Sc (Hons) (Appointed 8 November 2012.)

Chris has over 30 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. Chris commenced his career in the UK coal industry, followed by positions within Shell's exploration group in Southern Africa and CRAE in Western Australia. He has also held senior positions for BP Coal (London and USA), Agipcoal Australia and for the Stratford Joint Venture. Chris has core skills in geology, mining engineering and minerals processing, mainly in the coal industry with some experience in tungsten, gold, base metals and diamonds. He has had overall responsibility for the design and engineering of four new mines during his career with Excel. Chris is a Non-Executive Director of Ausquest Limited (ASX: AQD).

Recommendation

Independent Directors unanimously recommend that Shareholders approve the re-election of Chris Ellis.

8.4. APPROVAL OF 10% PLACEMENT FACILITY

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. Further information is set out in section (c) below.

The effect of Resolution 3 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 3 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

Description of Listing Rule 7.1A

(a) Shareholder Approval

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

(b) Equity Securities

Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing **quoted** class of Equity Securities of the Company. At the date of the Notice, the Company only has quoted shares on issue and no quoted options or convertible securities.

(c) Formula for calculating 10% Placement Facility

Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

A is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that become fully paid in the 12 months;
- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that **A** has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under the Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

Number of Shares on Issue

At the date of the Notice, the Company has 165,251,702 Shares on issue.

Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which approval is obtained; or
- (b) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding). **(10% Placement Period)**

Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
 - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
 - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.
- (b) If Resolution 3 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:
 - (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
 - (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

- (c) The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

			Variables		
			50% decrease in Issue Price	Issue Price	100% Increase in Issue Price
Issue price examples			\$0.058	\$0.115	\$0.230
Variable 'A' in Listing Rule 7.1A.2	Number of Shares examples				
Current Variable A	165,251,702	10% Voting Dilution	16,525,170	16,525,170	16,525,170
		Funds raised	\$958,460	\$1,900,395	\$3,800,789
50% increase in Current Variable A	247,877,553	10% Voting Dilution	24,787,755	24,787,755	24,787,755
		Funds raised	\$1,437,690	\$2,850,592	\$5,701,184
100% increase in Current Variable A	330,503,404	10% Voting Dilution	33,050,340	33,050,340	33,050,340
		Funds raised	\$1,916,920	\$3,800,789	\$7,601,578

- (d) The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No options (including any options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.

- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is 11.5 cents (\$0.115), being the closing price of the Shares on the ASX on Thursday 10 September 2015.
- (e) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 3 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).
- (f) The Company may seek to issue the Equity Securities for the following purposes:
 - (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
 - (ii) cash consideration. In such circumstances, the Company intends to allocate the funds towards additional working capital while the Company progresses development funding for the Dolphin Project.
- (g) The Company will comply with the disclosure obligations under the Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.
- (h) The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:
 - (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
 - (ii) the effect of the issue of the Equity Securities on the control of the Company;
 - (iii) the financial situation and solvency of the Company; and
 - (iv) advice from corporate, financial and broking advisers (if applicable).
- (i) The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.
- (j) Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources assets or investments.
- (k) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's Annual General Meeting held 29 October 2014.
- (l) During the preceding 12 months, Equity Securities totalling 13,204,945 were issued representing 8.2% of total Equity Securities on issue at the commencement of that 12-month period (161,046,757).

(n) The table below shows details of issues of Equity Securities by the Company during the preceding 12 months:

	Cash price per Equity Security Cents	Shares Number	Unlisted Options Number	Total Equity Securities Number
Balance at opening of previous 12 month period		152,046,757	9,000,000	161,046,757
25 May 2015 ¹	13.5 (\$0.135) ²	11,167,908	-	11,167,908
28 May 2015	13.5 (\$0.135) ²	2,037,037	-	2,037,037
Balance at end of previous 12 month period		165,251,702	9,000,000	174,251,702

(o) The table below shows participants in the issues of Equity Securities by the Company during the preceding 12 months:

Participant	Date	Shares Number	Total Equity Securities Number
Shareholders' rights entitlements	25 May 2015	4,587,779	4,587,779
Underwriters			
Mr RW Chadwick and Mrs GA Chadwick	25 May 2015	2,037,037	2,037,037
Chrysalis Investments Pty Ltd ³	25 May 2015	2,037,037	2,037,037
Mr G Coronica	28 May 2015	2,037,037	2,037,037
		6,111,111	6,111,111
Directors' rights entitlements, as Shareholders			
Allan Davies	25 May 2015	295,299	295,299
Christopher Ellis	25 May 2015	2,003,433	2,003,433
Johann Jacobs	25 May 2015	207,323	207,323
		2,506,055	2,506,055
		13,204,945	13,204,945

(p) The Options are subject to the following salient terms and conditions:

Number of Options	Vesting Date	Expiry Date	Exercise Price per Share
2,000,000	1 January 2014	31 December 2018	15 cents (\$0.15)
3,000,000	1 January 2015	31 December 2019	22 cents (\$0.22)
4,000,000	1 January 2016	31 December 2020	28 cents (\$0.28)
<u>9,000,000</u>			

(i) the Options were issued at no cost;

¹ Company's non-renounceable rights offer announced 20 April 2015 (Offer).

² Cash price was at an 18% discount to the last closing Share price preceding the Offer.

³ An entity related to Christopher Ellis, a Director.

- (ii) each Option entitles the holder thereof to subscribe for one Share in the Company;
- (iii) the Options may be exercised in whole or in part by notice in writing being delivered to the Company at any time prior to or on each Expiry Date;
- (iv) any Option not exercised on or before each Expiry Date will expire and cease to carry any rights or benefits;
- (v) a statement will be issued for the Options. A new holding statement will be issued when a change takes place in the number of Options held;
- (vi) the holder of Options will not have the right to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Any change to the Option's exercise price or the number of underlying securities must be made in accordance with Listing Rules 6.21 and 6.22;
- (vii) the rights of the holders of Options will change to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- (viii) the Options are freely transferable;
- (ix) Shares issued pursuant to the exercise of the Options will be allotted following receipt of all relevant documents and payments in respect thereto and will rank for dividends pro rata with the existing issued Shares, as at the date of exercise of the Options. Subject to any ASX ruling regarding Restricted Securities, Shares so issued will rank pari passu with the then issued Shares of the Company; and
- (x) the Options will not be listed on the ASX. The Company will make application for any Shares issued upon the exercise of any Option to be granted Official Quotation by the ASX.

- (q) The table below shows details of cash consideration received from issues of Equity Securities by the Company during the preceding 12 months, amount of that cash that has been spent, what it was spent on, and the intended use for the remaining amount of cash:

	Actual 1 April 2015 to 30 June 2015	Actual 1 July 2015 to 31 July 2015	Intended use after 31 July 2015
	\$000	\$000	\$000
Available cash			
Cash balance opening	632	1,568	1,220
Cash raised from the issue of Equity Securities by the Company			
25 May 2015	1,508	-	-
28 May 2015	275	-	-
	<u>2,415</u>	<u>1,568</u>	<u>1,220</u>
Cash expenditure			
Capital raising costs	91	1	-
Dewatering	27	12	52
Project Management	59	21	98
Mine planning and geological work	43	35	58
Metallurgical & laboratory testing	77	5	56
Environmental	21	7	24
Water and tailings management	59	24	50
Process engineering contractor	347	-	-
Other feasibility study work	29	30	71
Fund general working capital requirements	94	213	811
	<u>847</u>	<u>348</u>	<u>1,220</u>
Cash balance closing	<u><u>1,568</u></u>	<u><u>1,220</u></u>	<u><u>-</u></u>

- (r) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

Recommendation

The Directors unanimously recommend that Shareholders approve the 10% placement facility.

8.5. APPROVE NON-EXECUTIVE DIRECTORS' REMUNERATION LIMIT (RESOLUTION 4)

The ASX Listing Rules (Listing Rule 10.17) and the Company's Constitution require the maximum aggregate amount of non-executive Directors' remuneration to be determined by shareholders in general meeting.

Shareholder approval is sought to approve \$210,000 per annum as the unchanged maximum aggregate amount available for payment by way of remuneration to non-executive Directors.

The maximum aggregate amount available for payment would have been approved under the Company's previous articles of association (approved on 11 June 1998 and replaced 3 March 2006).

With the approval of the Company's Constitution on 29 October 2014, there are different defined inclusions and exclusions from the maximum aggregate amount available for payment by way of remuneration to non-executive Director, mainly:

- (a) The superannuation guarantee charge is defined as included in the maximum;
- (b) Any insurance premium paid or agreed to be paid for a director is defined as excluded; and
- (c) Remuneration may now be a non-cash benefit.

It is proposed that Shareholders approve the same \$210,000 aggregated maximum under the Company's Constitution adopted on 29 October 2014.

The Company's actual aggregate remuneration payments to non-executive Directors have been significantly less than the maximum. For the year ended 30 June 2015 aggregate actual remuneration paid for services as a Director was \$91,747 (2014 \$92,462).

Extracts from the Company's Articles of Association approved 11 June 1998 (Rule 54)	Extracts from the Company's Constitution approved 29 October 2014 (Rule 19.5)
Members' Approval of Directors' Remuneration	
The directors shall be paid such remuneration as is from time to time decided by the Company in general meeting.	Each director is entitled to remuneration from the Company for his or her services as a director as the directors decide but the total amount given to all directors for their services as directors must not exceed in aggregate in any financial year the amount fixed by the Company in general meeting.
The remuneration payable by the Company to the directors shall not be increased without the prior approval of the Company in general meeting.	
Allocation of Fixed Sum by each Director	
The fixed sum so determined by the Company in respect of a particular financial year shall be divided among the directors (other than any managing director or director who is a salaried officer) in such proportions as they shall agree and, in default of agreement, equally.	The sum so fixed must be divided among the directors in such proportion and manner as they agree from time to time or, in default of agreement, equally.
Any portion of any such fixed sum which is not so divided in any financial year will not accrue to any succeeding financial year.	-
Director's Superannuation	
-	When calculating a director's remuneration..., any amount paid by the Company or related body corporate:

Extracts from the Company's Articles of Association approved 11 June 1998 (Rule 54)	Extracts from the Company's Constitution approved 29 October 2014 (Rule 19.5)
	(i) to a superannuation, retirement or pension fund for a director so that the Company is not liable to pay the superannuation guarantee charge or similar statutory charge is to be included; and.
Director's Insurance Premium	
-	(ii) for any insurance premium paid or agreed to be paid for a director...is to be excluded.
Director's Non-Cash Benefit	
-	Remuneration... may be given in the manner that the directors decide, including by way of non-cash benefit, such as a contribution to a superannuation fund.
Director's Expenses and any Additional Remuneration	
<p>The directors may also be paid all travelling and other expenses properly incurred by them in attending and returning from meetings of the directors or any committee of the directors or general meetings of the Company or otherwise in connection with the business of the Company and if any director being willing shall with the concurrence of the directors perform extra services or make any special exertions for the benefit of the Company the directors may cause that director to be paid out of the property of the Company such special and additional remuneration (not including a commission on or a percentage of profits or operating revenue) as the directors think fit having regard to the value to the Company of the extra services or special exertions.</p>	<p>The directors are entitled to be paid all travelling and other expenses they incur in attending to the Company's affairs, including attending and returning from general meetings of the Company or meetings of the directors or of committees of the directors.</p>
	<p>Any director who devotes special attention to the business of the Company, or who otherwise performs services which in the opinion of the directors are outside the scope of the ordinary duties of a director, or who at the request of the directors engages in any journey on the business of the Company, may be paid extra remuneration as determined by the directors. Any amount paid does not form part of the aggregate remuneration....</p>
Director's Remuneration for Other Offices	
A director may hold any other office or place of profit (other than auditor) in the Company in conjunction with his directorship and may be appointed thereto upon such terms as to	If a director is also an officer of the Company or of a related body corporate in a capacity other than director, any remuneration that director may receive for acting as that officer

Extracts from the Company's Articles of Association approved 11 June 1998 (Rule 54)	Extracts from the Company's Constitution approved 29 October 2014 (Rule 19.5)
remuneration, tenure of office and otherwise as may be arranged by the directors.	may be either in addition to or instead of that director's remuneration.
Director's Retirement Benefits	
-	The Company may, subject to the relevant law, pay, provide or make any payment or other benefit to a director, a director of a related body corporate of the Company or any other person in connection with that person's or someone else's retirement, resignation from or loss of office, or death while in office.
-	The directors may establish or support, or assist in the establishment or support, of funds and trusts to provide pension, retirement, superannuation or similar payments or benefits to or for the directors or former directors and grant pensions and allowances to those persons or their dependants either by periodic payment or a lump sum.

Report required by ASX Listing Rules (Listing Rule 10.17)

- (a) There is no increase to the maximum aggregate amount of non-executive Directors' remuneration;
- (b) The maximum aggregate amount of Directors' fees that may be paid to all of the Company's non-executive Directors is \$210,000.00 per annum.
- (c) Securities issued to Directors under rule 10.11 with the approval of Shareholders at any time within the preceding three years:

Director	Date Approved	Date Issued	Unlisted Options Number
Johann Jacobs	15 November 2013	6 December 2013	4,500,000
Allan Davies	15 November 2013	6 December 2013	4,500,000
			<u>9,000,000</u>

Summary of Unlisted Options

Messrs Jacobs and Davies, or their nominee, were each issued 50% of each Option class.

Vesting Date	Expiry Date	Exercise Price per Share	Unlisted Options Number
1 January 2014	31 December 2018	15 cents (\$0.15)	2,000,000
1 January 2015	31 December 2019	22 cents (\$0.22)	3,000,000
1 January 2016	31 December 2020	28 cents (\$0.28)	4,000,000
			<u>9,000,000</u>

(d) A voting exclusion statement is included in paragraph 5 of the Notice.

Recommendation

Because each Director has an interest in this matter, the Board does not believe it is appropriate to make a recommendation to shareholders in relation to voting on this resolution.

9. INTERPRETATION

For the purposes of interpreting the Explanatory Notes and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Notes and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and
- (f) reference to **cents**, **\$**, **A\$**, **Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

10. GLOSSARY

AEDT means Australian Eastern Daylight Time.

AEST means Australian Eastern Standard Time.

AGM or **Annual General Meeting** means the annual general meeting to commence 10.00 am AEDT on Thursday 15 October 2015 and notified to the Company's Shareholders by this Notice.

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the official listing rules issued and enforced by the ASX, as amended from time to time, and **Listing Rules** has a corresponding meaning.

Board or **Board of Directors** means the board of Directors of the Company.

Closely Related Party of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;

- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

Company means King Island Scheelite Limited (ABN 40 004 681 734).

Consolidated Entity means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.

Constitution means the constitution of the Company, as amended from time to time.

Corporations Act means the *Corporations Act 2001 (Commonwealth)* as amended from time to time.

Director means a director of the Company.

End of Day means on any Trading Day, 7.00pm Sydney time or such other time as ASX Settlement may from time to time determine.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Notes means the notes included in the Notice which convened this meeting.

Key Management Personnel has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

Meeting means the AGM.

Notice means this notice of Annual General Meeting.

Option means an option in the issued capital of the Company which when exercised converts into one fully paid ordinary share in the issued capital of the Company on the terms set out in the Explanatory Notes.

Remuneration Report means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30 June 2015 and which is set out in the 2015 Annual Report.

Share means a fully paid ordinary share in the issued capital of the Company and **Shares** has a corresponding meaning.

Shareholder means shareholder of the Company and **Shareholders** has a corresponding meaning.

Trading Day means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

11. REGISTERED OFFICE

King Island Scheelite Limited ABN: 40 004 681 734

Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000

Telephone: +61 2 8622 1400

Facsimile: + 61 2 8622 1401

www.kingislandscheelite.com.au

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PROXY FORM ANNUAL GENERAL MEETING Thursday 15 October 2015

12. PROXY FORM

STEP 1 APPOINT A PROXY

Shareholder Details

Name(s):

Address:

Contact Telephone Number:

Contact Email Address:

Contact Name (if different from above):

I/We, being a member/s of King Island Scheelite Limited ABN 40 004 681 734 ("Company") hereby appoint _____ (insert name / address)

or failing him or her the Chairman of the Meeting¹ as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000, commencing at 10.00 am AEDT on Thursday 15 October 2015, and at any adjournment of that meeting.

¹If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business. The Directors and other Key Management Personnel of the Consolidated Entity and their Closely Related Parties (see the Notice of Meeting and overleaf) will not cast any votes in respect of Resolution 1 (Remuneration Report) that arise from undirected proxies that they hold.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

Chairman of the Meeting is authorised to exercise proxies on remuneration related matters (Resolution 1): If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolution 1 (except where I/we have indicated a different voting intention below) even though Resolution 1 is connected directly or indirectly with the remuneration of a member of key management personnel for the Company, which includes the Chairman.

If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box/es opposite those items in step 2 below (directing the Chairman of the Meeting to vote for, against or to abstain from voting).

If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll.

PROXY FORM ANNUAL GENERAL MEETING Thursday 15 October 2015

STEP 2 VOTING INSTRUCTIONS

This proxy is to be used in respect of all / ____% (*number*) of the Ordinary Shares I / we hold.

I/We instruct my/our proxy to vote as follows (the resolutions are numbered as in the Notice of Annual General Meeting):

	For	Against	Abstain
To consider and, if thought fit, to pass, with or without amendment, the following resolutions:			

Resolution 1: To adopt the Remuneration Report.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 2: To re-elect Christopher Ellis as a Director of the Company.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
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Resolution 3: To approve 10% Placement Facility (special resolution).

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

Resolution 4: To approve Non-Executive Directors' Remuneration Limit.

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	--------------------------

(insert name / address)

STEP 3 SIGNATURE OF SHAREHOLDER

Dated: _____ 2015

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Instructions for Completing Proxy Form

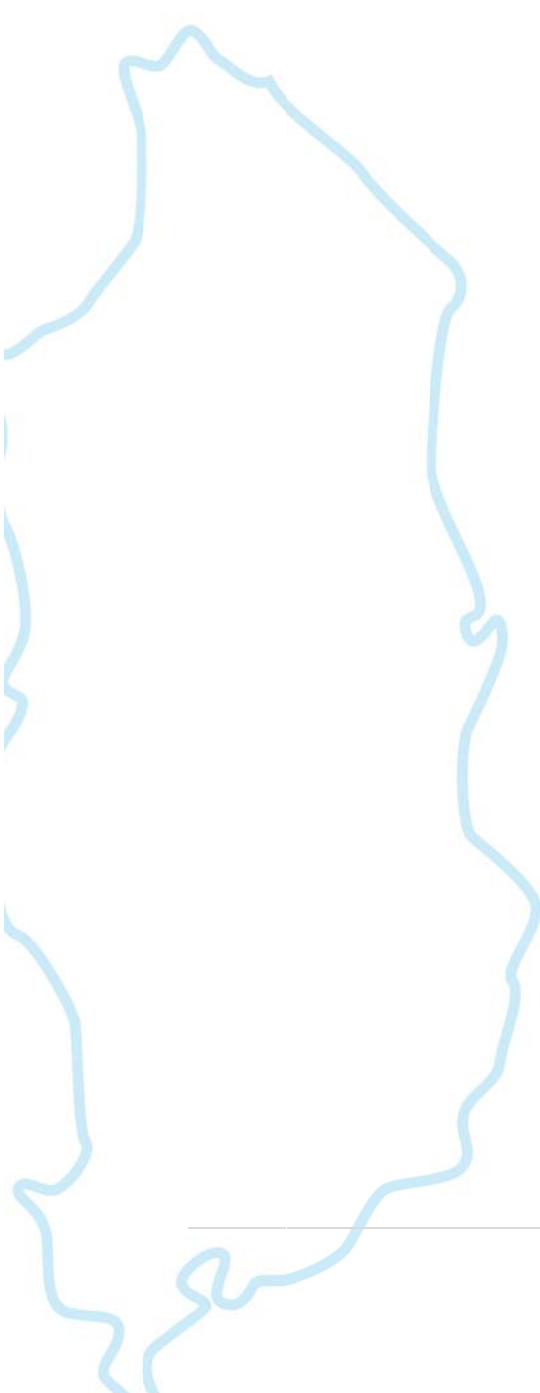
1. A member entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote on behalf of that member.
2. You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on one item, your vote on that item will be invalid.
3. Any undirected proxies held by the Chairman of the Meeting, other directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman of the Meeting pursuant to an express authorization on the Proxy Form made by a Shareholder who is entitled to vote on Resolution 1.
4. Key management personnel of the Consolidated Entity are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly. The Remuneration Report identifies the Consolidated Entity's Key Management Personnel for the financial year to 30 June 2015. Their Closely Related Parties are defined in the *Corporations Act*, and include certain of their family members, dependants and companies they control.
5. A duly appointed proxy need not be a member of the Company. This form should be signed by the member. If a joint holding, either member may sign. If signed by the member's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the member's constitution and the *Corporations Act*.
6. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the *Corporations Act*. Section 127 of the *Corporations Act* provides that a company may execute a document without using its common seal if the document is signed by:
 - directors of the company;
 - a director and a company secretary of the company; or
 - for a proprietary company that has a sole director who is also the sole company secretary – that director.
7. For the Company to rely on the assumptions set out in Section 129(5) and (6) of the *Corporations Act*, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
8. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
9. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
10. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
 - Hand delivery to the Company's registered office at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000;
 - Post to King Island Scheelite Limited, GPO Box 5154 Sydney NSW 2001; or
 - Facsimile to King Island Scheelite Limited on facsimile number +61 2 8622 1401,

so that it is received not later than 10.00 am AEDT, Tuesday 13 October 2015.

Proxy forms received later than this time will be invalid.

11. Chapter 2C of the *Corporations Act* requires information about you as a member (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.

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13. APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the *Corporations Act*

_____ (ABN/ACN/ARBN) _____

(Insert name of Shareholder/Body Corporate & ACN/ARBN)

Hereby Authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of King Island Scheelite Limited (ABN 40 004 681 734).
- (*) 2. To act as the Company's Representative at the Annual General Meeting to be held at 10.00 am AEDT on Thursday 15 October 2015 and any adjournment thereof.

Dated this _____ day of _____ 2015

Executed by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act* in the presence of:

(*) Director (*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of Annual General Meeting which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.

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