



KING ISLAND
SCHEELITE

ASX: KIS

The Dolphin Tungsten Project

Investor Presentation
King Island Scheelite Limited

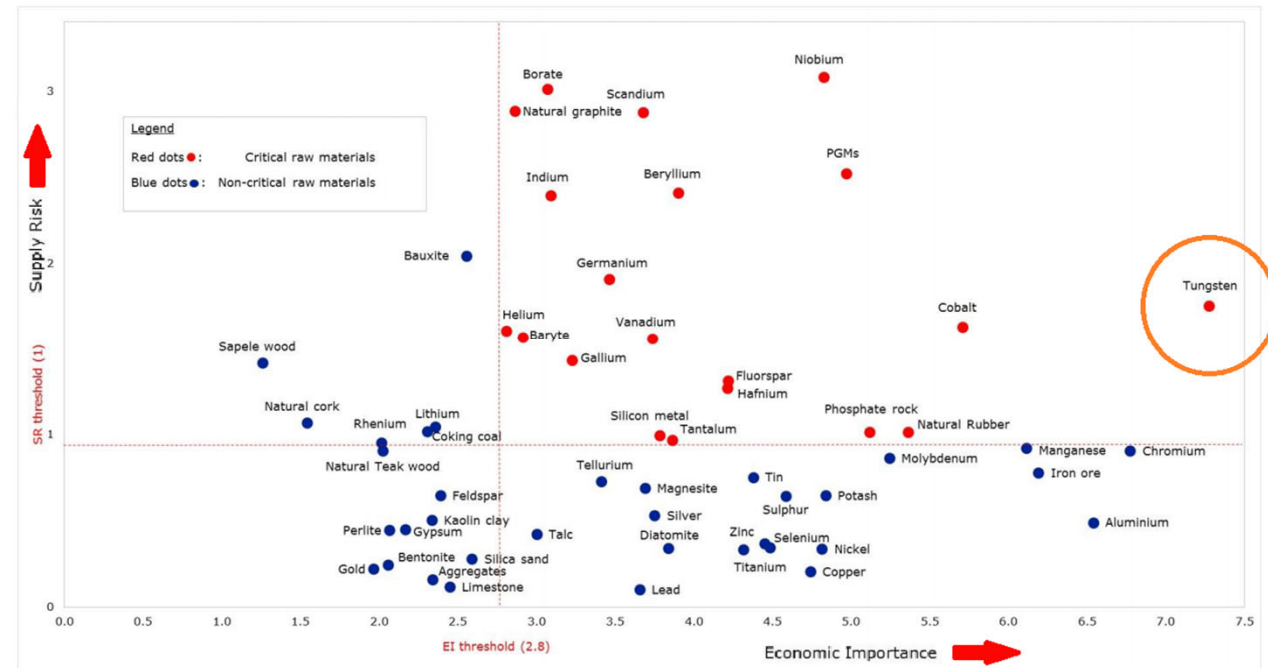
September 2019

Tungsten: A Strategic Industrial Metal



2

- 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, electronics, lighting, rail, chemicals and high technology

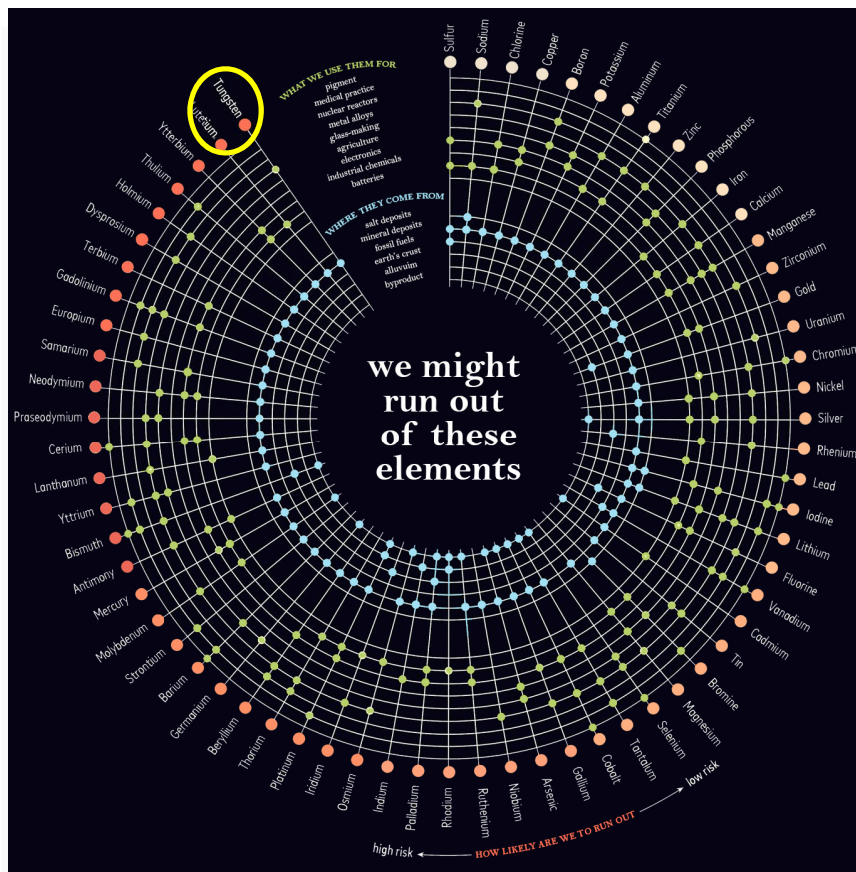


Source: European Commission Study on the Review of the List of Critical Raw Materials, 2017

Supply and Demand Dynamics



3



Source: Popular Science, Summer 2019

King Island Scheelite is ideally positioned to supply the most at-risk critical element, **tungsten**

- Representation of how select elements power and enrich our lives, how we get hold of them, and how ready we should be to live without them..

DEMAND

- “Global Tungsten Market was valued US\$ 3.46 Bn in 2017 and is projected to reach US\$ 6.71 Bn by 2026 at a CAGR of 8.63 %” - with Chinese consumption accounting for ~60%
- Continued growth in end use with transport, mining and oil & gas
- US and European end-users are looking to reduce their dependence on Chinese production

SUPPLY

- China remains the world’s largest supplier of tungsten (83% of global production)
- Environmental crackdowns in China have caused a tightening in the market
- High grade (above 0.5%) deposits are rare
- Historically, tungsten deposits have had long lead times from exploration to production

Investment Highlights



4

HIGH GRADE

One of the world's highest grade tungsten deposits

LOW COST

Low OPEX & CAPEX compared to peers

LOW RISK

Gravity separation primary processing methodology

ALL APPROVALS GRANTED

Mining license, environmental approval (EPA) and further exploration licences

SUBSTANTIAL UPSIDE

Potential for expansion/extension both underground and at Bold Head

INFRASTRUCTURE

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

OFFTAKE

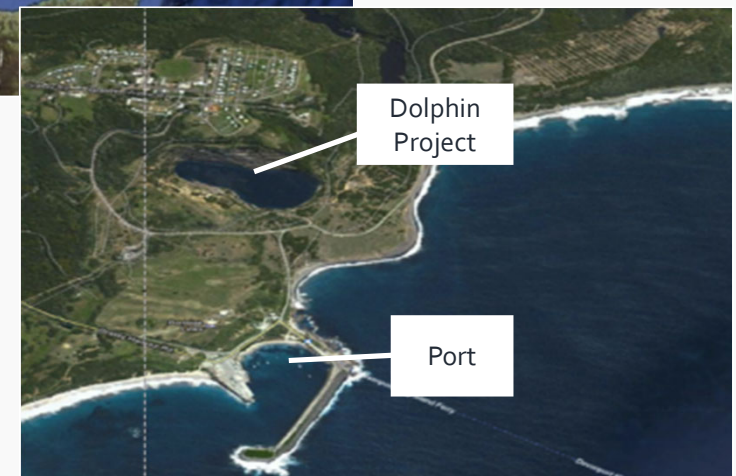
Signed agreement with Wolfram Bergbau und Hutten AG, a subsidiary of the Sandvik Group

Location and Infrastructure



5

- The Dolphin Project is near the town of Grassy, on the south east coast of King Island, the most western large island in Bass Strait
- KIS recently acquired an adjacent property (Portside Links) which has strategic relevance, 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



Geology



6

OPEN CUT RESERVES

3.0M tonnes @ 0.73% $W\text{O}_3$
(0.20% cut-off)

RESOURCE

9.6M tonnes @ 0.90% $W\text{O}_3$
(0.20% cut-off)

UNDERGROUND OPERATIONS

A desktop study completed in 2015 indicates 8 year underground mine life, after the open-cut reserves are depleted

HISTORICAL PRODUCTION

10M tonnes @ 0.67% $W\text{O}_3$

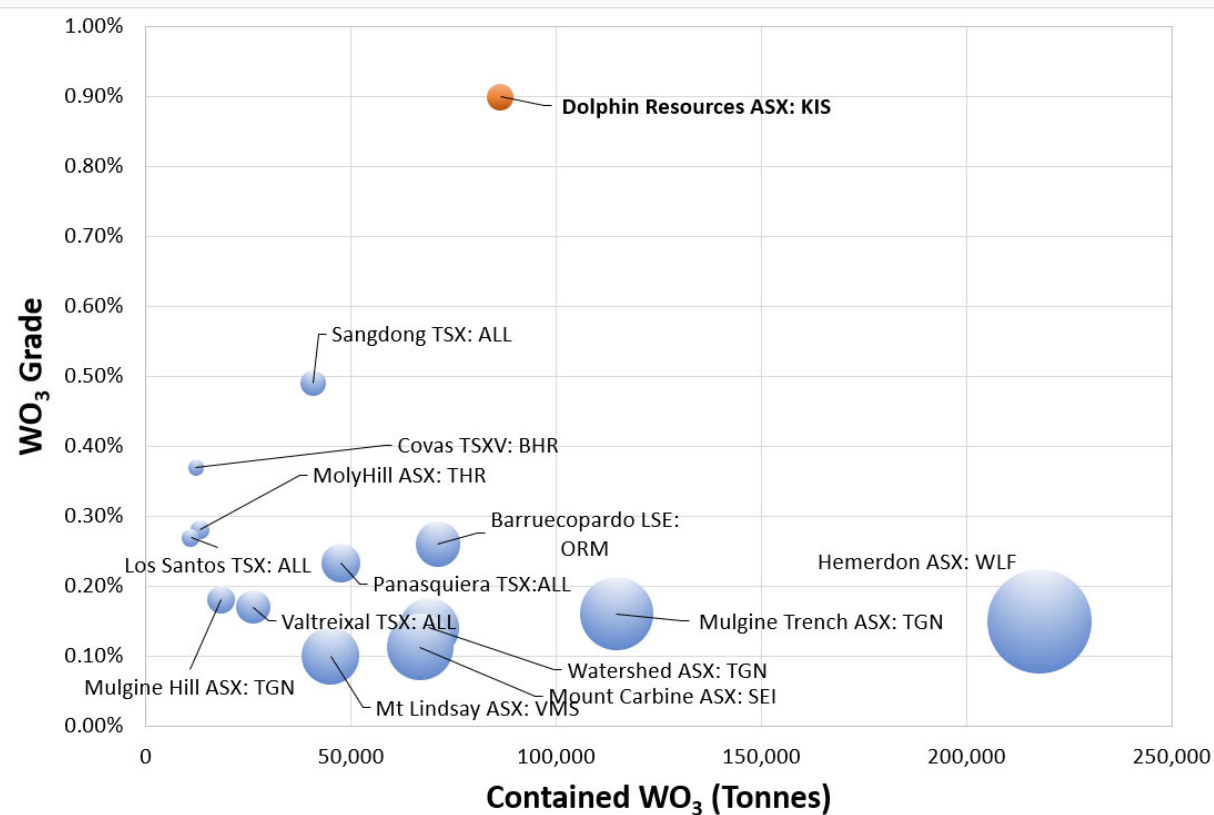


Source: Updated Feasibility Study and Revised Mineral Resource 3 June 2019

A World-Class Quality Deposit



7



Source: Company reports and announcements

Extremely Robust Project Economics



8

A\$146m

NPV @8%
Pre-tax



A\$65m

Capex



A\$129.00/mtu WO₃

Opex produced



47%

IRR



400,000 tonnes ore

Annual Mine
Production



US\$280 / mtu

APT Price



2.75 years

Payback



215,000 mtu WO₃

Average Annual
WO₃ Production



15 Months

Development
Timeline



Source: Updated Feasibility Study and Revised Mineral Resource 3 June 2019

Development Plan



- Fully approved open-cut mine producing 400,000 tonnes of ore per annum, yielding around 215,000 mtu of WO_3 for 8 years (1 mtu of WO_3 = 10 kg of tungsten trioxide)
- Ore to be crushed and processed, primarily through a gravity circuit supplemented with a simple flotation circuit
- Opportunity to double mine life by mining existing underground resource from toe of final open-cut highwall
- All relevant approvals for open cut mining have been obtained
 - ✓ Mining lease valid to 2029 and extendable
 - ✓ Environmental approval granted



Offtake



10

- Agreement executed with Wolfram Bergbau und Hütten AG, a world leading supplier of tungsten powders and subsidiary of the Sandvik Group
- Contract for a total of 140,000 mtu of WO_3 over a four year period, which accounts for 20% of proposed annual production
- The price for the concentrate will be referenced to the APT price as quoted by Fastmarkets MB, previously known as London Metal Bulletin
- Further offtake contracts with other APT producers are at an advanced stage



Corporate



SHARES ON ISSUE

264.4 M

CASH & FACILITIES

~ AU\$1.9 M

**MARKET CAP
(@7.0C, FULLY DILUTED)**

AU\$20.7 M

**LAST 12 MONTHS' SHARE
PRICE & VOLUME**

SEE CHART

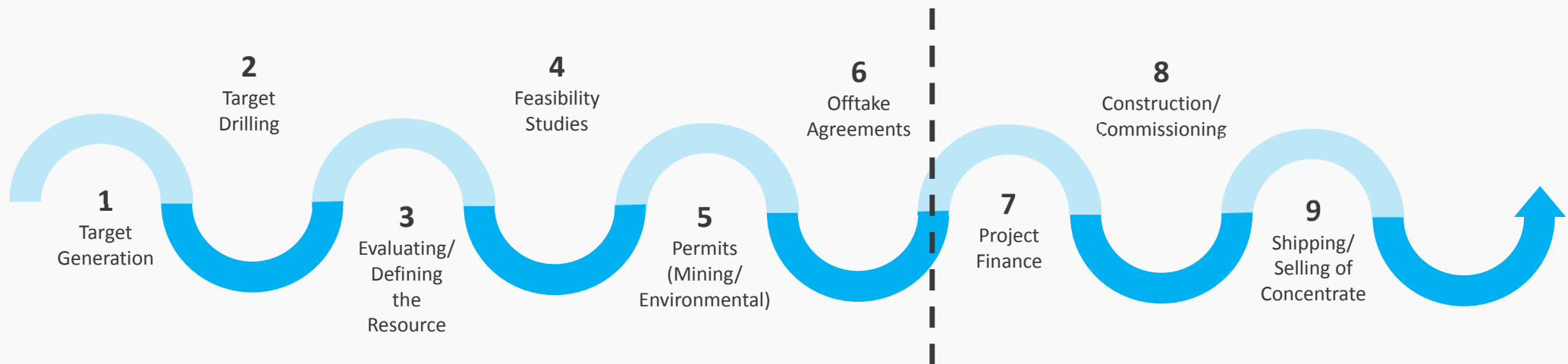


	TOP 20 KIS Shareholders	Number of KIS shares	% of total KIS shares on issue
1	MR CHRISTOPHER ELLIS (Director)	58,813,278	22.2%
2	MR RICHARD WILLMOT CHADWICK and MRS GWENDA ANN CHADWICK	58,571,359	22.2%
3	MRS CATHERINE MORRITT	15,920,599	6.0%
4	MR ANTHONY HAGGARTY	14,998,952	5.7%
5	MR GIUSEPPE CORONICA and MRS YVONNE PRICE	8,640,000	3.3%
6	PACIFIC ROAD CAPITAL	6,276,237	2.4%
7	MR ANDREW PLUMMER	5,170,590	2.0%
8	HUNAN NONFERROUS METALS CORPORATION LIMITED	4,450,000	1.7%
9	MR JOHANN JACOBS (Director)	3,989,764	1.5%
10	MR ALLAN DAVIES	3,986,536	1.5%
11	CITICORP NOMINEES PTY LIMITED	3,226,023	1.2%
12	ELPHINSTONE HOLDINGS PTY LTD	3,125,000	1.2%
13	MR BRYANT JAMES MCLARTY	3,116,104	1.2%
14	TYSON RESOURCES PTY LTD	2,873,864	1.1%
15	SERLETT PTY LTD	2,711,241	1.0%
16	GEKKO SYSTEMS PTY LTD	2,439,024	0.9%
17	MR SCOTT GILCHRIST	2,268,755	0.9%
18	CHELSEA SECURITIES LIMITED	2,161,818	0.8%
19	KESLI CHEMICALS PTY LTD	2,112,500	0.8%
20	MR DONALD BOYD	2,044,337	0.8%
	Total held by Top 20	206,895,981	78.4%

Roadmap



12



Upcoming Newsflow Catalysts:

- Increased Resources
- Finalisation of offtake
- Financing plan finalised

Experienced Board



13

JOHANN JACOBS Executive Chairman

Johann has held a number of executive roles 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 Magnis Resources Limited as well as a number of private resource focused companies.

CHRIS ELLIS Executive Director

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 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-Exec Director

Greg is Managing Director of Hancock Corporate Investments Pty Ltd, a specialist Corporate Advisory practice. He has been a Non-Executive Director of Ausquest since its listing in 2003. He was founding director and first Chairman of Cooper Energy Ltd and Non Executive Director of Zeta Petroleum Plc, Strata-X Energy Ltd and BMG Resources Ltd. Mr Hancock maintains an active and ongoing engagement with capital markets both in Australia and the United Kingdom.

Tungsten – Uses



14

CURRENT

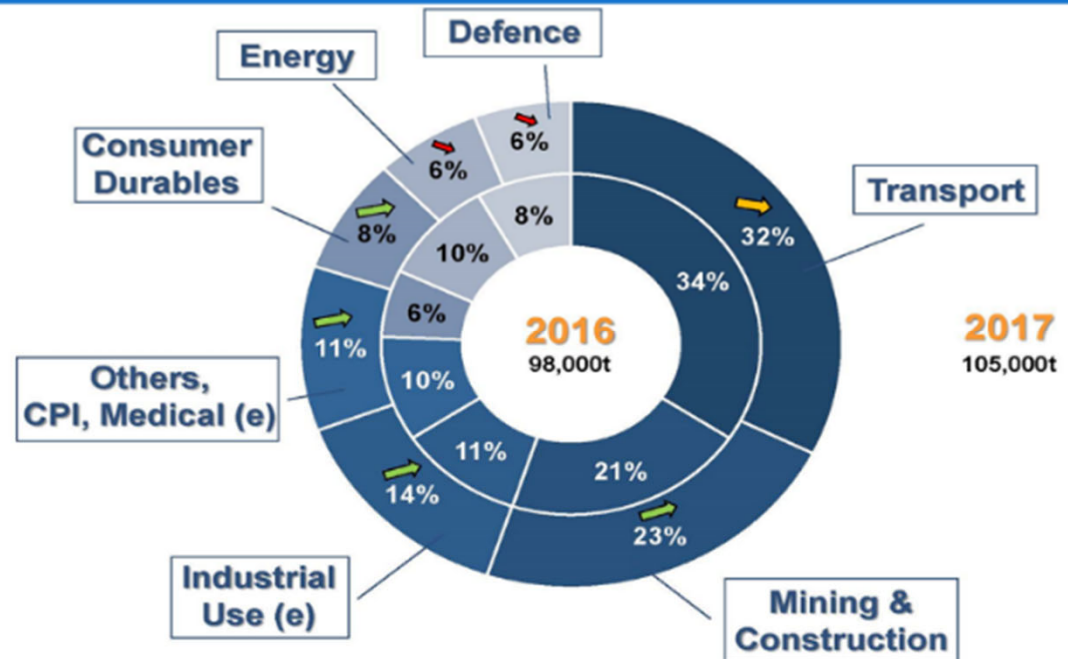
- Cemented carbides used in drilling tools and wear-resistant parts
- Alloy steels and alloys used primarily in tools
- Mill products

FUTURE

- Nickel-Tungsten alloys could replace chrome plating & nickel-tungsten alloys could replace gold-nickel plating
- Smart technologies (semiconductors)
- Deep drilling

Major End Use Changes in 2017

Consumer Durables are bigger, Defense and Energy is smaller than previously estimated



© Copyright SMR GmbH 2018
www.smr.it

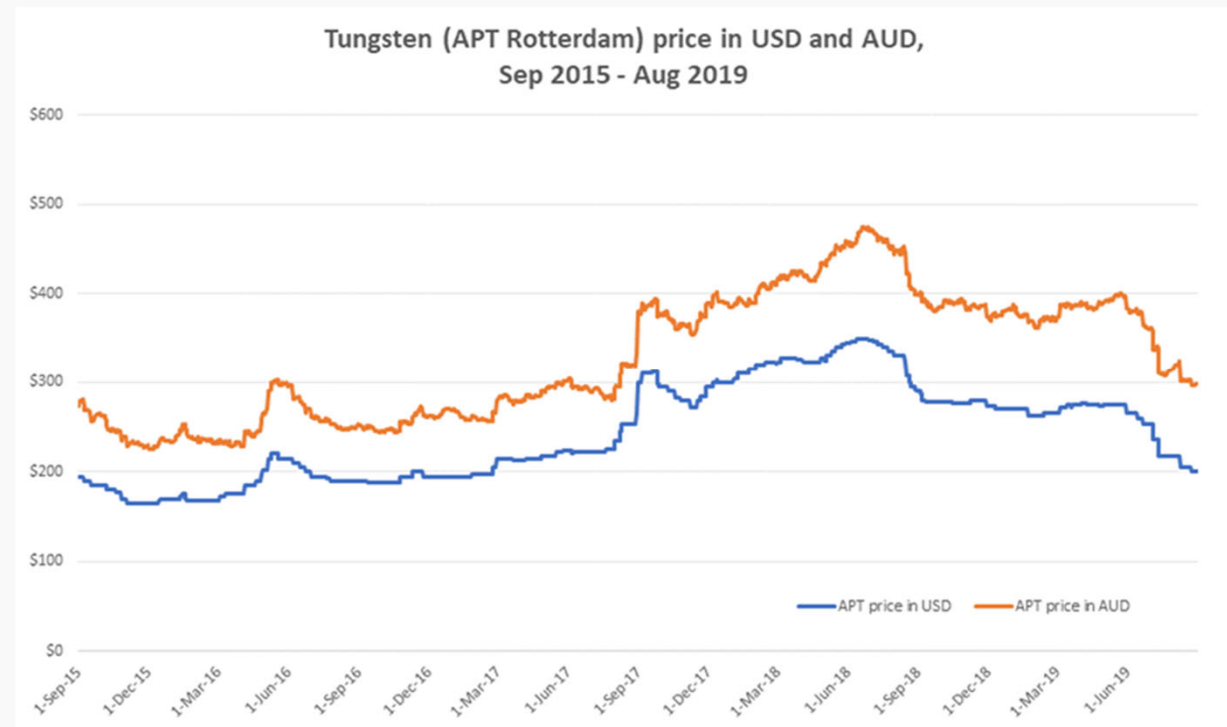
- 5 -

SMR!
Steel & Metals Market Research

Tungsten – Prices



- 2017 saw prices rise significantly with expectations of stronger global growth and reduced supply from China
- 2018/19 saw prices remain stable in the H1 of the year while prices pulled back in H2 due to seasonal recess
- “China to auction Fanya APT stocks in mid-September” – Published Argus Media date: 30 August 2019
- Analysts expect prices to track back to well above US \$230/MTU which is the average cost of production for Chinese producers



Get in touch


Johann Jacobs

Executive Chairman

+61 416 125 449

johann.jacobs@kisltd.com.au

www.kingislandscheelite.com.au

 [@KIScheelite](https://twitter.com/KIScheelite)

Disclaimer



17

This presentation has been prepared by King Island Scheelite Limited (“KIS”) as a summary of its Dolphin Project. It is for general information purposes only. This presentation is not and should not be considered as an offer or invitation to subscribe for or purchase any securities in KIS, or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in KIS will be entered into on the basis of this presentation. This presentation 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.

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 web-site 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.