

23<sup>rd</sup> December 2009

**KING ISLAND SCHEELITE LIMITED ("KIS")**

**DRILLING UPDATE - BALFOUR TIN - TUNGSTEN PROSPECT**

King Island Scheelite (KIS) announced on 22<sup>nd</sup> October the Balfour Joint Venture had commenced a drilling programme to assess the extent of tin and tungsten mineralisation within tenements in Northwest Tasmania (Figure 1). Balfour Management Pty Ltd, a wholly owned KIS subsidiary, is managing the program on behalf of this joint venture between KIS and Pleiades Resources Pty Ltd. After funding this program KIS will hold a 70% interest in the Balfour Joint Venture.

The first phase of this programme focused on drilling the Specimen Hill Prospect. The Specimen Hill Prospect contains tin-tungsten stock work vein mineralisation hosted in tourmaline-silica altered siltstone breccia.

Four holes were drilled during October / November. Numerous mineralised veins were intersected with individual 1m tin and tungsten values up to:

BJV002	2.2% WO <sub>3</sub>	71.0 – 72.0m
BJV003	1.0%Sn	159.0 – 160.0m

Drill hole details are provided in Table 1 along with tenement and collar locations displayed in Figures 1 and 2 respectively.

The style of mineralisation is encouraging but vein density and thickness encountered so far is generally low.

The second phase of this programme will comprise further drilling at Specimen Hill as well as drilling at the Roaring 41 South Prospect, a coincident gravity and magnetic bulls-eye anomaly. It will commence once necessary approvals for the drilling in the Roaring 41 South Prospect area are received.

We look forward to providing results on the second phase of this programme as they become available.

For further information see "Investor Update" presentation available on the company's website [www.kingislandscheelite.com.au](http://www.kingislandscheelite.com.au) or contact us directly.

**Simon Bird**  
Chief Executive Officer  
**King Island Scheelite Limited**  
Level 1, 101 Sussex Street  
Sydney NSW 2000  
Phone (02) 8622 1400  
Fax (02) 8622 1401 Email  
[simon.bird@kingislandscheelite.com.au](mailto:simon.bird@kingislandscheelite.com.au)

**Table 1. Drill hole details.**

**BJV001**

---

323911E 5429373N 250mRL Azm 225° Dip -60° Depth 238.5m

Best intersections include:

31.0 - 34.0 3.0m @ 0.2%Sn  
39.0 - 40.0 1.0m @ 0.3% WO<sub>3</sub>  
62.0 - 64.0 2.0m @ 0.2% WO<sub>3</sub>  
105.0 - 106.0 1.0m @ 0.4% WO<sub>3</sub>  
131.0 - 132.0 1.0m @ 1.7% WO<sub>3</sub>  
136.0 - 137.0 1.0m @ 0.2% WO<sub>3</sub>  
140.0 - 142.0 2.0m @ 1.0% WO<sub>3</sub>  
152.0 - 154.0 2.0m @ 0.4% Sn and 0.1% WO<sub>3</sub>  
157.0 - 159.0 2.0m @ 0.2% Sn and 0.3% WO<sub>3</sub>  
176.0 - 177.0 1.0m @ 0.1% Sn and 0.2% WO<sub>3</sub>  
188.0 - 189.0 2.0m @ 0.2% Sn

**BJV002**

---

323715E 5429334N 232mRL Azm 225° Dip -60° Depth 239m

Best intersections include:

33.0 - 34.0 1.0m @ 0.4% Sn  
36.0 - 38.0 2.0m @ 0.2% Sn  
43.0 - 44.0 1.0m @ 0.3% Sn  
51.0 - 52.0 1.0m @ 0.3% Sn  
71.0 - 72.0 1.0m @ 2.2% WO<sub>3</sub>  
81.0 - 83.0 2.0m @ 0.1% WO<sub>3</sub>  
103.0 - 104.0 1.0m @ 0.5% Sn  
133.0 - 135.0 2.0m @ 0.2% WO<sub>3</sub>  
144.0 - 145.0 1.0m @ 0.4% Sn  
168.0 - 169.0 1.0m @ 0.2% Sn and 0.1% WO<sub>3</sub>  
210.0 - 211.0 1.0m @ 0.5% WO<sub>3</sub>

**BJV003**

---

323771E 5429354N 240mRL Azm 227° Dip -60° Depth 269.0m

Best intersections include:

112.0 - 114.0 2.0m @ 0.1% Sn  
119.0 - 120.0 1.0m @ 0.6% Sn and 0.2%WO<sub>3</sub>  
123.0 - 124.0 1.0m @ 0.4% Sn  
159.0 - 160.0 1.0m @ 1.0% Sn



# BALFOUR JOINT VENTURE

An unincorporated joint venture  
to explore for tin and tungsten  
in north west Tasmania

220.0 - 221.0 1.0m @ 0.3% WO3  
229.0 - 243.0 14.0m @ 0.1% WO3

Including:

229.0 - 231.0 2.0m @ 0.4% WO3  
241.0 - 242.0 1.0m @ 0.3% WO3

## **BJV004**

---

323964E      5429443N      225mRL      Azm 227o      Dip -60°      Depth 501.0m

Best intersections include:

59.0 - 60.0 1.0m @ 0.2 % WO3  
88.0 - 89.0 1.0m @ 0.2 % WO3  
90.0 - 91.0 1.0m @ 0.1 % Sn and 0.1%WO3  
114.0 - 115.0 1.0m @ 0.2 % Sn  
121.0 - 122.1 1.1m @ 0.2 % WO3  
158.0 - 159.0 1.0m @ 0.6 % Sn and 0.2%WO3  
246.0 - 247.0 1.0m @ 0.2 % Sn  
286.0 - 287.0 1.0m @ 0.4 % WO3  
346.0 - 347.0 1.0m @ 0.4 % WO3  
346.0 - 347.0 1.0m @ 0.4 % WO3  
402.0 - 403.0 1.0m @ 0.1 % Sn and 0.8% WO3  
431.0 - 432.0 1.0m @ 0.4 % WO3

# BALFOUR JOINT VENTURE

An unincorporated joint venture  
to explore for tin and tungsten  
in north west Tasmania



Figure 1. EL40/2007 and EL27/2007 Balfour Joint Venture Tenements  
(Mining lease 1M/1976 excluded)

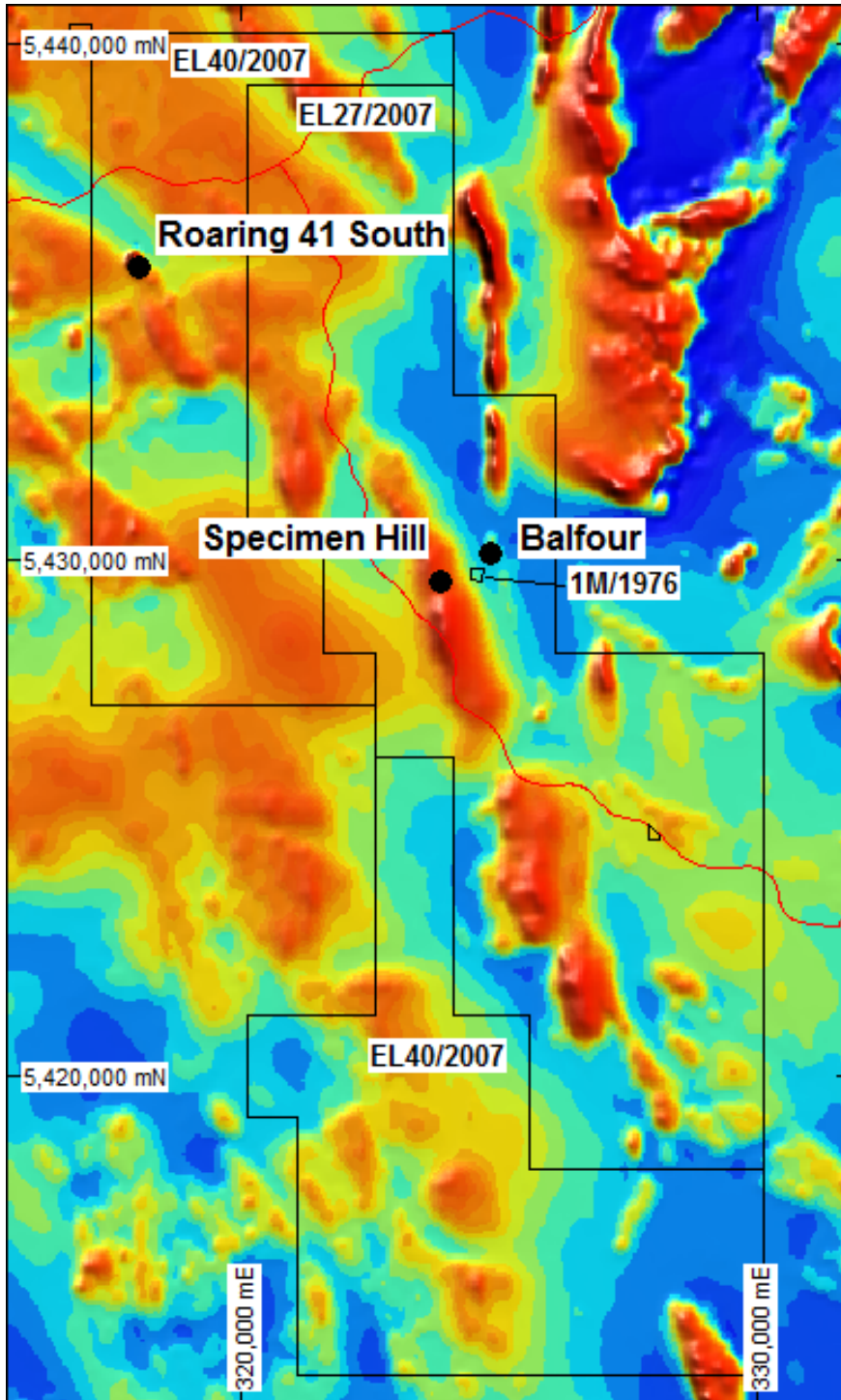
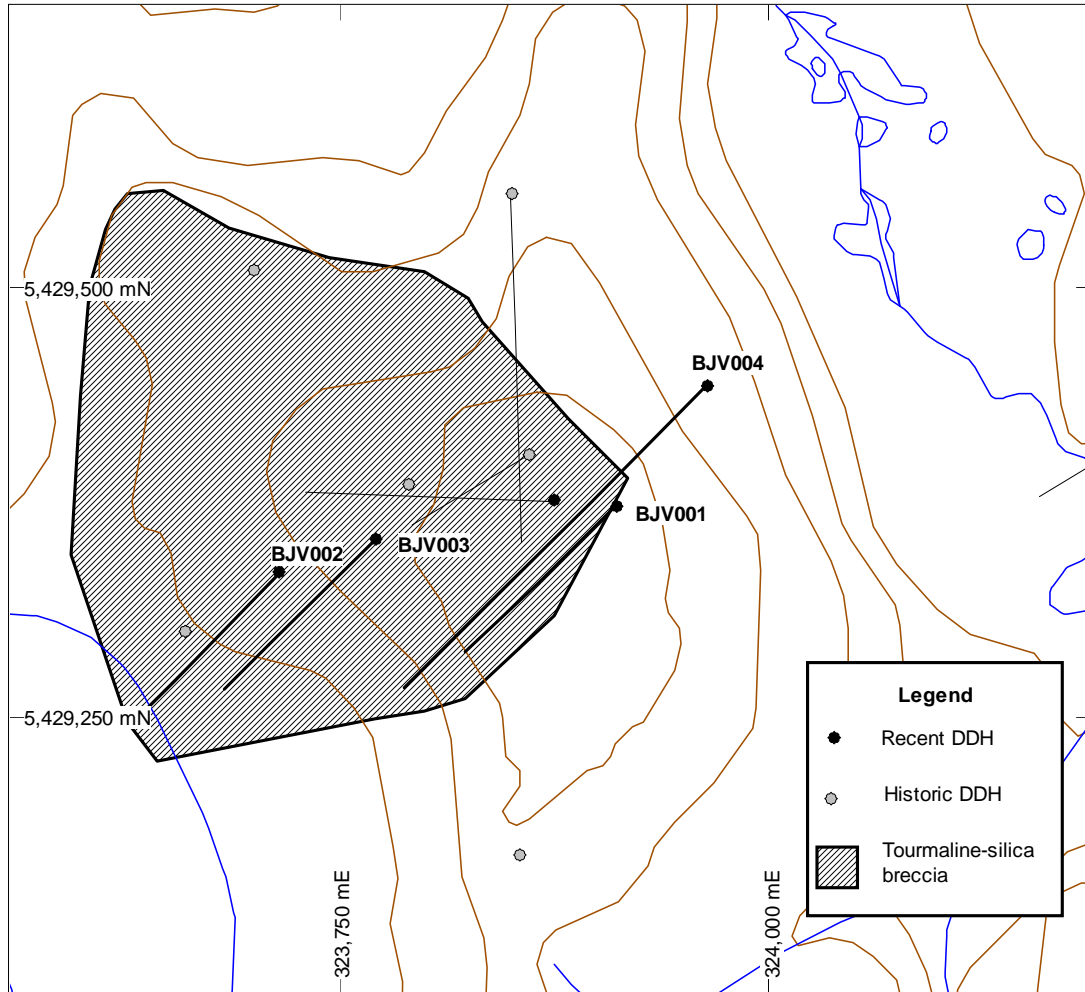




Figure 2. Specimen Hill DDH locations



*The information in this report that relates to Exploration results is based on information compiled by Mr. Tim Callaghan, who is a member of the Australian Institute of Mining and Metallurgy, and has sufficient experience in the style of mineralisation and the activity undertaken to qualify as a competent person as defined in the 2004 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" Mr. Callaghan consents to the inclusion in this report on the matters based on his information in the form and context in which it appears*