

19th MAY 2010



KING ISLAND SCHEELITE LIMITED (“KIS”)

DOLPHIN JOINT VENTURE ANNOUNCES HIGH GRADE SCHEELITE UNDERGROUND RESERVE

Australian listed tungsten mining company King Island Scheelite Limited announces a high grade scheelite (ore of tungsten) underground reserve at its Dolphin project. This project is part of a 50/50 joint venture with Hunan Nonferrous Metals Corporation. The resource estimate for Dolphin has also been updated to reflect an underground redevelopment.

2010 Dolphin Resource Estimate						
	0.25% WO ₃ cut off			0.70% WO ₃ cut off		
Classification	Tonnes '000	WO ₃ %	Tonnes WO ₃	Tonnes '000	WO ₃ %	Tonnes WO ₃
Indicated	8,419	0.95	79,980	4,752	1.29	61,300
Inferred	524	0.50	2,620	7	0.73	50
Total	8,943	0.92	82,600	4,759	1.29	61,350

Prepared in accordance with the JORC Code 2004

Refer to attached compliance statement provided by Tim Callaghan, Resource and Exploration Geology

The Dolphin resource estimate is based on historic drilling data, geological sections and mine infrastructure plans. The drill hole data, with minor updates, is as used in the 2005 estimate. This resource estimation has an increase in WO₃ grade, a minor loss in contained metal and a reduction in tonnes of ore extracted. The block-model remnant resource reconciles well with historic resource statements and production records.

2010 Dolphin Reserve Estimate			
	0.70% WO ₃ cut off		
Classification	Tonnes '000	WO ₃ %	Tonnes WO ₃
Probable	1,630	1.30	21,150

Prepared in accordance with the JORC Code 2004

Refer to attached compliance statement provided by Alan Fudge, Polberro Consulting

This Dolphin reserve estimate is based on post-pillar, cut-and-fill underground mining per historic production. Minor up-hole and down-hole bench stoping is included for parts of the mine where there are voids within 10m above stope backs. Post-pillar mining methods include 82.5% recovery and 10% dilution. Bench stoping assumes a recovery of 51% for up-hole benching and 64% for down-hole benching with dilution set at 10%.

The original Dolphin Mine operated as an open-cut and decline-accessed underground mine until low tungsten prices forced the mine closure in 1990. Current Dolphin Joint Venture (DJV) planning is focused on re-accessing remnant resources within, and in close proximity to, the existing historic underground mine infrastructure. Once established, project longevity can be extended by: a) accessing lower grade mineralisation, b) resource extension drilling and c) developing the Bold Head resource which remains as previously stated.

2009 Bold Head Resource Estimate			
	0.25% WO ₃ cut off		
Classification	Tonnes '000	WO ₃ %	Tonnes WO ₃
Indicated	2,300	0.73	16,800
Inferred	170	1.13	1,900
Total	2,470	0.76	18,700

Prepared in accordance with the JORC Code 2004

Refer to attached compliance statement provided by Tim Callaghan, Resource and Exploration Geology

The DJV continues to assess the merits of an underground-only redevelopment at Dolphin utilising this updated information.

KIS will provide further information in the coming months.

For further information see the company's website www.kingislandscheelite.com.au.



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

Explanatory Notes for Resource Statement: Competent Person and JORC Code

The resource reports were prepared in accordance with the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code") by Consultant Geologist Mr Tim Callaghan of Resource and Exploration Geology, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM"); has a minimum of twenty years experience as a geologist, five of which are in the estimation, assessment and evaluation of Mineral Resources of this style and is a Competent Person as defined in the JORC Code. This announcement accurately summarises and fairly reports his estimations and he has consented in writing to the resource reports in the form and context in which it appears.

Explanatory Notes for Reserve Statement: Competent Person and JORC Code

The reserve report 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 Consultant Mining Engineer Mr Alan Fudge of Polberro Consulting, who is a Member of The Australasian Institute of Mining and Metallurgy ("AusIMM") and has a minimum of five years experience in the estimation, assessment and evaluation of Mineral Reserves of this style and is a Competent Person as defined in the JORC Code (2004). This announcement accurately summarises and fairly reports his estimations and he has consented in writing to the reserve report in the form and context in which it appears.