

KING ISLAND SCHEELITE LIMITED

AGM – 29th November 2011

Simon Bird - CEO



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Your Company



Shares ASX - KIS	81.8M shares on issue	\$0.17 share price	\$13.9M market cap
Financial	Year ended 30th June	2011	2010
	Cash on hand	\$5.66 M	\$2.62 M
	Net assets	\$34.87 M	\$29.64 M
	Net profit/ (loss)	\$0.60 M	\$(0.58) M
	NTA per share	4.5 cents	(0.7) cents
Board	Tony Haggarty	Chairman	9% interest
	Robin Morritt	Director	16% interest
	Andy Plummer	Director	4% interest
	Mr Li Li - HNC	Director	5% interest
	Ian Morgan	Company Secretary	



Highlights this year



Maintained focus on re-opening the high grade tungsten mine on King Island

Corporate	Secured 100% of the Dolphin Project Discharged project loan in exchange for capped royalty Raised additional capital to advance the project
Dolphin Project	Confirmed tailings mineable resource estimate Revised the underground plan with increased reserve estimate Undertaken definitive feasibility study on current development plan
Team	Recruited a Chief Metallurgist & Manager Mining Operations Retained access to other key technical skills
Exploration	Completed holes into the Swan Extended target with high grade intercepts Continued exploration activities at Balfour in NW Tasmania
Tungsten demand	Demand remains strong (particularly for ex-China supply) This demand is reflected in increased prices for concentrate and APT
Funding strategy	Progressed off-take arrangements with key consumers These arrangements are expected to underpin acceptable debt facilities



Significant high grade deposit



Resource			
	Tonnes	WO ₃ %	Tonnes WO ₃
Dolphin	0.70% WO ₃ cut off		
Indicated	4,752,000	1.29	61,300
Inferred	7,000	0.73	50
Total	4,759,000	1.29	61,350
Bold Head	0.50% WO ₃ cut off		
Indicated	1,500,000	0.93	13,950
Inferred	150,000	1.22	1,830
Total	1,650,000	0.96	15,780
Tailings	0.08% WO ₃ cut off		
Measured	2,700,000	0.17	4,590
TOTAL	9,109,000	0.90	81,720

Resource estimate is in accordance with JORC code 2004



Robust mine plan



		Reserve		
		Tonnes	WO ₃ %	Mtu's
Dolphin	Probable	2,687,000	1.04	2,806,000
Bold Head	Probable	609,000	0.76	464,000
Tailings	Proven	1,900,000	0.19	361,000
TOTAL		5,196,000	0.70	3,631,000

Resource estimate is in accordance with JORC code 2004

Plans to dewater, rehabilitate and mine Dolphin utilising paste fill method, with associated mine schedule completed

Bold Head plans involve dewatering and rehabilitating the former underground mine

Tailings reclamation plans developed with dry mining extraction methods



Proven recovery process



Whole-ore-flotation metallurgical test work completed in China on both ore and tailings samples.

Chinese testing replicated in Tasmania under Australian conditions confirming the previous results, including:

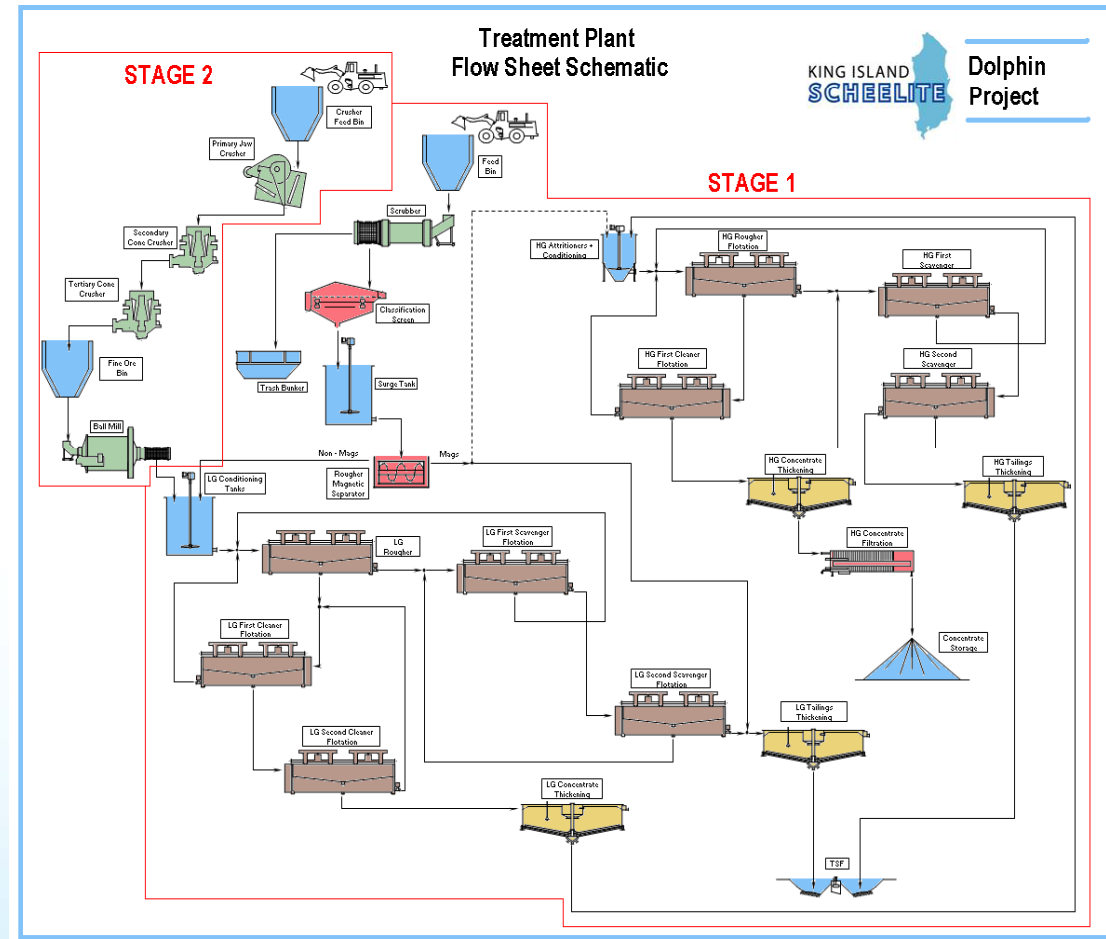
- 91% recovery from ore
- 59% recovery from tailings

STAGE 1:

WOF to process tailings then primary ore from underground

STAGE 2:

Crushing and grinding section added for primary ore



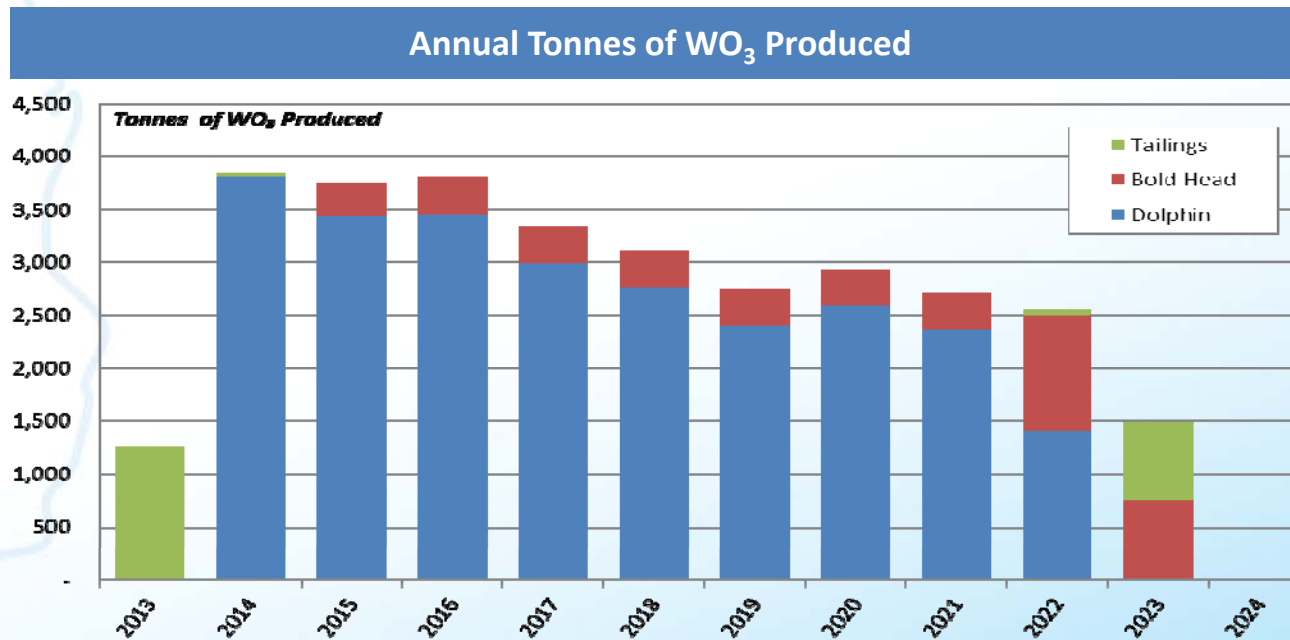
Significant tungsten producer



Produce >25% of non-Chinese production

Supplying over 5,700 tonnes of concentrate pa

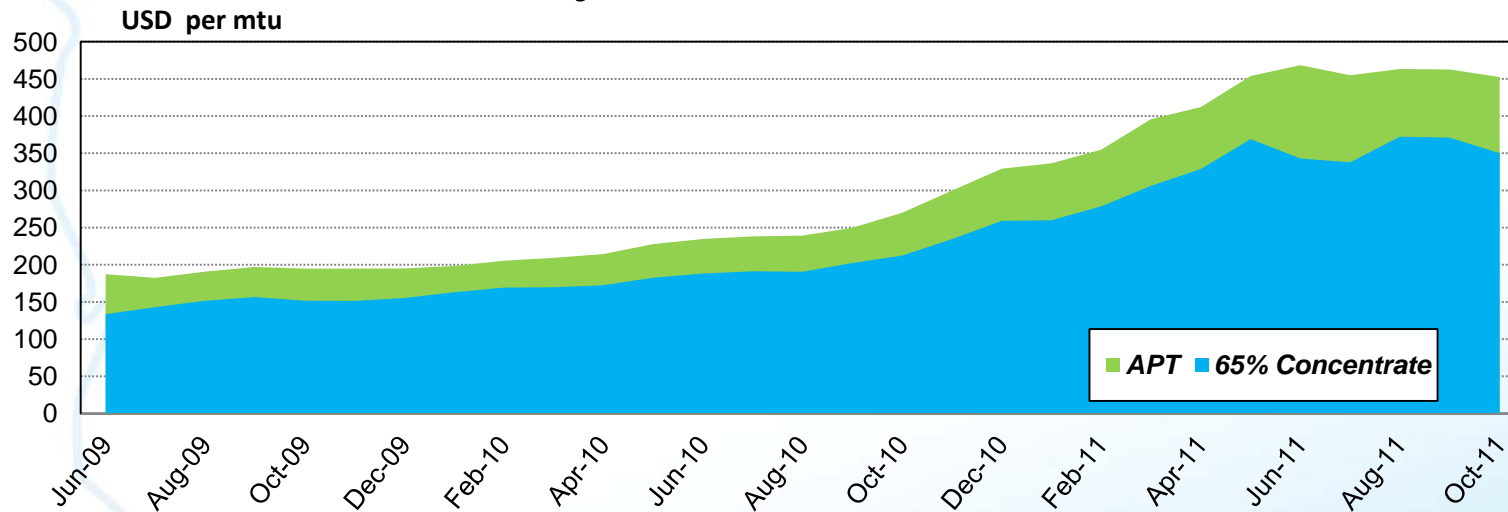
11 year mine life before any further resources are confirmed



Strong tungsten market



WO₃ Prices – Jun 2009 - Oct 2011



Market

	Concentrate 65% WO ₃	APT 88.5% WO ₃
June 2010	US\$188/mtu	US\$235/mtu
June 2011	US\$343/mtu	US\$469/mtu
October 2011	US\$350/mtu	US\$452/mtu

Significant increase since June 2010



Well placed to deliver



Dolphin Project

- ❖ well recognised location and mining jurisdiction
- ❖ supportive community and regulators
- ❖ excellent resource
- ❖ robust and tested development plan
- ❖ strong technical team
- ❖ actively engaged with off-takers and financiers
- ❖ sound economics (DFS currently being completed)



Current focus



Complete DFS for preferred Dolphin redevelopment

1. Conclude assessment of retreating tailings in a staged redevelopment plan
2. Review cost/ benefit of further beneficiation
3. Finalise feasibility study including independent reviews to ensure at bankable level

Conclude off-taker negotiations and confirm debt facilities

1. Conclude discussion with off-takers on potential for further beneficiation
2. Sign-up preferred off-take arrangements
3. Establish debt facilities for the Dolphin Project underpinned by off-take arrangements



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Competent Persons Statement

The information within this report that relates to Mineral Resources, Exploration Results and Ore Reserves is based on information compiled by Mr Tim Callaghan who is a consultant geologist working for King Island Scheelite. Tim is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the styles of mineralisation and types of deposits in consideration to qualify as a competent person according to the 2004 edition of the Australasian Code for reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). He consents to the inclusion of this material in the form and context in which it appears in this report.

Competent Person Statement

This review 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 this review in the form and context in which it appears.

