

King Island Scheelite to raise \$1,866,000 through a non-renounceable partially underwritten Rights Offer



ASX: KIS

Market Capitalisation \$25.1 million

Shares on Issue 152.0 million

52 Week High 16.5 cents

52 Week Low 10.5 cents

Share Price 16.5 cents

Board of Directors

Johann Jacobs Chairman

Allan Davies Director

Chris Ellis Director

Tungsten APT USD 25,750 / tonne (16 April 2015)

King Island Scheelite Limited (KIS)

through its 100% Dolphin Project on King Island, Tasmania is one of the world's richest tungsten deposits and could meet a significant proportion of the world's tungsten requirements over a minimum 13 years.

King Island Scheelite Limited

ABN 40 004 681 734

Level 26, 259 George Street

Sydney NSW 2000

GPO Box 5154

Sydney NSW 2001

P. +61 2 8622 1400

F. +61 2 8622 1401

www.kingislandscheelite.com.au

HIGHLIGHTS

King Island Scheelite Limited (**KIS**) today announced it will proceed with a partially underwritten rights offer to fund additional optimisation investigations on its 100% owned Dolphin Project.

The Dolphin Project is in its final stages of feasibility/optimisation studies. A final decision of commitment to the project is expected in Q3, 2015 following which production would be expected to commence in Q3, 2016.

Key elements of this capital raising:

- \$1,866,000 to be raised (before Offer costs)
- A 1 for 11 non-renounceable offer
- Partially underwritten up to \$825,000 by three major shareholders (Chadwick, Chrysalis and Coronica)
- Underwriters also committed to take up rights to \$634,000 and remaining Directors committed to take up their rights totalling \$68,000
- New shares issued for \$0.135 each, an 18% discount to the latest closing Share price
- Opportunity for existing shareholders to take up all rights plus top up facility

As announced in February 2015, KIS has appointed Mineral Technologies, a member of the Downer Group, to progress the Dolphin Project through the Definition Phase of development, this work is now expected to be completed in early June.

The appointment of Mineral Technologies followed the implementation of studies, which showed potential for:

- An increased open cut mine life from four to around seven years. An updated resource statement taking into account the revised geological model which includes ore intersections from the recent drilling program is anticipated to be released to the market during the week ending 24 April 2015 – it is not anticipated that this change will have a material impact on previously reported resources for the 4 year open-cut mining area. A resource estimate will also be reported for the larger 7 year open-cut mining area. Mine design work required to convert these resources to reserves is in progress;

- Significant operating cost savings and resource recovery from implementation of ore sorting using XRT technology;
- Trials are continuing at the laboratory in Melbourne with further results expected in early May 2015;
- Improved economics from first pass engineering expressions of interest for development of the processing plant;
- Improved confidence levels in Reserves from additional drilling data; and
- Significantly improved power costs from use of a Hybrid Facility utilising components of renewable energy (wind and solar).

This raising is expected to fund working capital for KIS until the Company proceeds with a larger capital raising, to allow for development of the Dolphin Project - anticipated in Q3 2015.

The Offer is expected to open Wednesday 29 April 2015 and close Friday 8 May 2015.

For more information refer to the Investor Update released to the ASX today.

For more information contact:

Johann Jacobs

0416 125 449 or johann.jacobs@kisltd.com.au

Event	Date
Announcement of the Offer	Monday 20 April 2015
Send letter to Shareholders containing the timetable and information required by Appendix 3B (lodge with ASX)	Tuesday 21 April 2015
Ex-date	Wednesday 22 April 2015
Record Date for determining Rights (7:00pm AEST)	Friday 24 April 2015
Despatch of Information Booklet and Acceptance Form	Wednesday 29 April 2015
Closing date (last date for acceptance and payment of applications) (5:00pm AEST)	Friday 8 May 2015
New Shares quoted on a deferred settlement basis	Monday 11 May 2015
Company notifies ASX of under subscriptions	Wednesday 13 May 2015
Allotment and issue of New Shares	Friday 15 May 2015
Despatch of holding statements in respect of New Shares	Friday 15 May 2015
Normal trading of New Shares expected to commence on ASX	Monday 18 May 2015

Further details of the Offer are contained in an Information Booklet being released today as a separate market announcement.