KING ISLAND SCHEELITE LIMITED

03 July 2015
TMEC annual conference– Queenstown
History

• 1917 First Open cut operations
• 1972 Bold Head underground started
• 1973 Dolphin underground started
• 1990 all operations ceased due to low tungsten prices
• 1995 site rehabilitation complete
Geology/Ore properties

- Skarn deposit, Scheelite (CaWO3), with Garnet Hornsfels, Pyroxenes, Calcite and silicates.
- Low S, but presence of Mo, mainly as Powellite in scheelite lattice.
- High grade by current world standards, 0.58% WO3 in 8 yr open pit and plus 1.0% underground
Grassy Geology (from Tim Callaghan)
Leases and Licences (TC)
Remnant ore in Dolphin pit (TC)
Current Ownership

• 2004-King Island Scheelite Limited took over leases/licences from Rio Tinto
• Stage 1 (2005/06) “Big Pit” Study
• Stage 2 (2011/12) Underground only study- (Capex $140M)
• Stage 3 (2013- ) Open cut/underground study (Low CAPEX & OPEX)
Stage 3 Overview

- Jul-Dec 2014-Dewatering and confirmatory exploration drilling/resources completed
- Q1 2015-Review costings, investigate finance and offtake agreements for 4yr open cut plus 9 year underground plan.
- Q2-3 2015-Investigate 8 year open cut plan, approvals, costings and finance
- Q4 2015-Decision to proceed
- Q4 2015-Q3 2016 Engineering, construction, production
Stage 3 Current focus

- Update EPA approvals (8 year open cut)
- Confirm mine design and schedule
- Power options discussions-Hydro Tasmania, others
- Contractor discussions (Mining, crushing)
- Confirm pit reserves to current JORC code
- Finalise metallurgical testing and confirm flow sheet
Operations

- 8 year resources in pit 3.77Mt @0.58% WO3
- Open cut mining for 8 years (<500,000 tpa) average 9:1 waste to ore
- Underground mining-years 9-15
- Gravity/Flotation processing with concentrate dressing to 65%WO3
- Ore sorting by XRT looks positive
- Active exploration near site
Dolphin 8 year pit
KING ISLAND SCHEELITE-DOLPHIN PROJECT

2015 Project Timeline

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<td><strong>Project Review (4 year open cut)</strong></td>
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2016 Project Timeline

**Engineering/procurement**

**Construction**
- Plant/Mine/TSF

**Commissioning**
- Plant/Facilities

**Start mining/stockpile**

**Production**
- Ongoing from Open cut
Tungsten Prices

APT Price per mtu

Price for 65% Concentrate

King Island mine closes

Data sourced from MetalPages.com
Dewatering – July 2014
First water discharge 13 July 2014
Old Grassy Process plant