

# Update on processing plant engineering and site location



## ASX: KIS

Market Capitalisation \$19.6 million

Shares 261.6 million

Quoted options 15.6 million

52 Week High 13.5 cents

52 Week Low 3.5 cents

Share Price 7.5 cents

## Board of Directors

Johann Jacobs Chairman

Allan Davies Director

Chris Ellis Director

## 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.

## Tungsten price

Metal Pages APT USD 265 to USD 275 / mtu (January 2019)

## King Island Scheelite Limited

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## HIGHLIGHTS

- Gekko Systems Pty Ltd recently completed a Level 3 engineering study based on ALS metallurgical test results
- Modular design principles adopted to minimise construction and commissioning costs
- Detailed design, procurement, construction and commissioning anticipated to be completed 12 months after financial commitment
- Capital costings are within the range of previous internal estimates
- Due to the re-design of the flowsheet and by concentrating on gravity separation, capital and operating costs are substantially lower than previous feasibility studies
- Received improved metallurgical test results, showing higher metal recovery for the revised flow sheet
- In December, approval obtained for relocating the site for the proposed Processing Plant
- New site has significant advantages in terms of reduced environmental impact (noise and visual), accessibility, logistics, reduced civil work cost and an improved operating environment

17 January 2019

King Island Scheelite Limited (**ASX: KIS**), the Company, is pleased to provide an update on various matters, undertaken during the second half of CY2018, associated with a new Processing Plant to be constructed to treat ore from the proposed redevelopment of the Dolphin Mine on King Island, Tasmania.

### **Engineering Study**

The Company engaged Gekko Systems Pty Ltd (**Gekko**) to design and cost a Processing Plant, capable of treating the ore from the proposed Dolphin Mine and based on the metallurgical test work completed at the ALS laboratory in Burnie, Tasmania. A modular design was preferred as this will minimize construction and commissioning times on site and result in reduced costs.

Gekko completed their study in December 2018, after certain revisions requested by the Company. The study was conducted to a Level 3 standard, meaning that the costings are within an accuracy limit of +/-10%. Costs determined by Gekko are within the range anticipated by the Company, as determined by our own internal estimates. Capital and operating costs are significantly lower than those determined in previous feasibility studies, due largely to the re-design of the flow sheet.

Based on a modular design, Gekko determined that detailed design, procurement, construction and commissioning could be achieved within a twelve-month period after financial commitment. KIS are currently negotiating commercial details with Gekko.

### **Processing Plant Site**

The Company made application to King Island Council to re-locate the site of the Processing Plant from the eastern side of the pit to the western side – see the attached diagram.

Approval was granted by King Island Council through Planning Permit DA 2018/41, after consulting with the Tasmanian Environmental Protection Agency.

The new site has significant operational advantages over the previous site, in terms of reduced environmental impact (noise and visual), vehicle accessibility, proximity to the Grassy Port, reduced civil work costs and a much safer environment for light vehicles.

### **Laboratory test results**

ALS laboratory reported results for gravity separation of the revised flow sheet. Scheelite recoveries of over 60% were achieved. These are higher than in previous testing. This work is ongoing.

**Johann Jacobs**

**Chairman**

Plan showing newly approved site for the proposed Processing Plant

