



24 July 2019

King Island Scheelite Negotiates \$2m Loan

Highlights

A\$2 million loan from Executive Director, Mr Chris Ellis, allows KIS to:

- **Proceed with activities at Dolphin mine site**
- **Continue negotiations with various parties, on potential options to fund the redevelopment and commissioning of the Dolphin Tungsten Project**

King Island Scheelite Limited (**ASX: KIS**) (“KIS” or “the Company”) is pleased to advise shareholders it has entered a loan agreement with Executive Director Mr Chris Ellis for A\$2m.

The loan will provide KIS the necessary working capital to continue with its ongoing activities, whilst allowing the Company to further progress negotiations with potential financiers and joint venture partners, to secure the funding required for the recommencement of production at the Company’s 100% owned Dolphin Tungsten Project.

Funds drawn down under the loan facility will be repayable out of future capital raisings with an interest rate of 8% pa above the BBSW. While not anticipated at this stage, the loan facility also includes a mechanism for the conversion of the loan into shares in the Company (subject to the consent of the Company and obtaining any applicable shareholder approvals at the relevant time).

Shareholders will be requested, at the Company’s next Annual General Meeting, to approve securing the loan against the freehold land owned by Australian Tungsten Pty Ltd, the Company’s wholly owned subsidiary, at Grassy Harbour Road measuring 241 hectares.

King Island Scheelite Executive Chairman, Johann Jacobs, said:

“Having the loan from Chris is of huge advantage to KIS and all its shareholders, as it provides KIS with the opportunity to proceed with negotiations on financing structures and progressing with operational milestones at the Project, ahead of finalising the financing plan for Dolphin.”

For further information, please contact:

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