



8 December 2020

DOLPHIN TUNGSTEN PROJECT

METALLURGICAL TESTWORK RESULTS IN SIGNIFICANT IMPROVEMENTS IN RECOVERIES AND GRADE

Highlights:

- Metallurgical test-work has resulted in a revised process flow-sheet being included in the Company's Revised Feasibility Study
- Significant improvements achieved include:
 - Expected recovery of 18.9% of the WO₃ units fed to the plant by re-processing coarse gravity tails using a Multi Gravity Separator (MGS)¹
 - Increased overall WO₃ recovery of around 3.5% over the life of mine compared with the 2019 Gravity/Flotation flow-sheet.
 - Improvement in final product grade to 63.3% WO₃ improves pricing of the scheelite concentrate
 - Decrease in processing plant Opex of 10% due to large reduction in flotation plant reagent costs
 - Scale-up viability to be tested on a larger bulk sample in early 2021
 - Revised Feasibility Study to be finalised this month

King Island Scheelite Limited (ASX: KIS) ("KIS" or "the Company") is pleased to advise of material improvements to the proposed flow-sheet for its Dolphin Tungsten Project in King Island, Tasmania.

Metallurgical Test-work

The metallurgical test-work undertaken by ALS in Burnie, Tasmania during the past several months utilised a pilot-scale Multi Gravity Separator (MGS). The machine was set up in a variety of

¹ Refer to Forward looking statements and competent persons' statement p4



configurations (Rougher, Cleaner etc) and undertook multiple runs on Dolphin feed material of various sources, but mainly selected tailings streams from the coarse gravity circuit.

The MGS test-work has shown that the equipment can be utilised to separate heavy scheelite particles in the -38 µm to +18 µm size range, which are not recoverable in the coarse gravity circuit using conventional spirals and tables. Importantly, the MGS separation also rejects lighter calcite particles, enabling efficient flotation of the MGS concentrate with recoveries and grades that have rarely been achieved in a calcite-rich feed to previous flotation circuits.

The flowsheet that KIS proposes to implement at its Dolphin Project will include a bank of MGS processing units fed by around 50% of the gravity tails streams to produce an intermediate rougher concentrate. This rougher concentrate will be cleaned to a marketable grade using a small flotation plant of approximately 10% of the throughput capacity of the flotation plant proposed in the 2019 Feasibility Study.

A number of optimisations have been run to finalise the fine gravity circuit configuration. The results have been consistent and to date have achieved a recovery of an additional 18.9% of the WO₃ units fed to the plant by reprocessing the coarse gravity tails in the MGS. The test-work was based on a head-feed sample grade of 0.73 % WO₃ (being the average grade of the Dolphin open-cut reserve).

This additional recovery augments the recovery from the coarse gravity plant that has undergone extensive metallurgical test-work in the past 3 years and is currently expected to produce 60% of the WO₃ units fed to the plant. The proposed flow sheet thus provides a total of 78.9% tungsten metal recovery.

A concentrate grade of the combined gravity product (coarse gravity – spirals and tables and fine gravity – MGS) is 63.3% WO₃ - a high grade concentrate expected to be of significant value to customers.

Commercial scale-up

The results achieved in the pilot scale (notional 200 kg/hr) machine are extremely encouraging and have prompted the Company to verify the scale-up factors in a full-scale commercial machine using its own ore. KIS is currently in negotiation with a UK-based equipment manufacturer regarding renting or pre-purchasing a commercial-grade machine to evaluate a larger bulk sample in early 2021.

Revised Feasibility Study

As announced in the Company's September quarterly report, the KIS technical team and its consultants have been working to finalise a Revised Feasibility Study (RFS) on its Dolphin Project, which will include:

- The benefits of the revised flow sheet outlined above.



- An extension of mine life from an underground mine developed from a portal on the final highwall of the open-cut mine.
- An optimised open cut mining schedule.
- Various other enhancements of the project that have been identified in the past 18 months.

The Company expects to finalise and release its RFS work to the market this month.

This announcement has been authorised for release by the Directors of King Island Scheelite Ltd.

For further information, please contact:

Executive Chairman
Johann Jacobs
King Island Scheelite Limited
E: kis@kisltd.com.au
T: +61 416 125 449

Investor Relations
Tim Dohrmann
NWR Communications
E: tim@nwrcommunications.com.au
T: +61 468 420 846

W: www.kingislandscheelite.com.au



Competent Persons Declaration

The information in this announcement that relates to metallurgy and processing, and fairly represents, information and supporting documentation compiled by Mr. Alvin Johns, an independent mining consultant working for Asther Pty Ltd. Mr. Johns is a Member of the Australian Institute of Mining and Metallurgy and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). Mr. Johns has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements associated with metallurgical testwork and process design, based on the information in the form and context in which they appear.

Forward Looking Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, metallurgical or process performance. Forward looking statements include, but are not limited to, statements preceded by words such as “planned”, “expected”, “projected”, “estimated”, “may”, “scheduled”, “intends”, “anticipates”, “believes”, “potential”, “could”, “nominal”, “conceptual” and similar expressions. Forward looking statements are provided as a general guide only and should not be relied on as a guarantee of future performance. Forward looking statements may be affected by a range of variables that could cause actual results to differ from estimated results and may cause the Company’s actual performance and financial results in future periods to materially differ from any projections of future performance or results expressed or implied by such forward looking statements. These risks and uncertainties include but are not limited to liabilities inherent in mine development and production, geological, mining and processing technical problems, competition for capital, acquisition of skilled personnel, incorrect assessments of the value of acquisitions, changes in commodity prices and exchange rate, currency and interest fluctuations, various events which could disrupt operations and/or the transportation of mineral products, including labour stoppages and severe weather conditions, the demand for and availability of transportation services, the ability to secure adequate financing and management’s ability to anticipate and manage the foregoing factors and risks. There can be no assurance that forward looking statements will prove to be correct.