



**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the Annual General Meeting of members of King Island Scheelite Limited ABN 40 004 681 734 (**Company**) will be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000, commencing 10.00am Sydney time on Friday 15<sup>th</sup> November 2013.

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Refer to the Explanatory Notes for further information on the proposed Resolutions.

Date: 30<sup>th</sup> September 2013

By order of the Board of King Island Scheelite Limited



Ian Morgan

Company Secretary

## ITEMS OF GENERAL BUSINESS

### 1. ACCOUNTS AND REPORTS

To receive and consider the financial statements and reports of the Company for the year ended 30<sup>th</sup> June 2013.

Note: There is no requirement for shareholders to approve these reports.

The statutory annual report is available for members to access and download from [www.kingislandscheelite.com.au](http://www.kingislandscheelite.com.au)

If you would like to receive a hard copy of the statutory annual report free of charge you can contact King Island Scheelite Limited by telephoning +61 2 8622 1400.

### 2. ADOPTION OF THE REMUNERATION REPORT

#### Resolution 1

To consider and if thought fit to pass, with or without amendment, the following resolution as a non-binding resolution:

That the Company adopts the Remuneration Report for the financial year ended 30<sup>th</sup> June 2013.

Notes:

- This Resolution is advisory only and does not bind the Company or the directors.
- The directors will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies.
- The Chairman of the Meeting intends to vote all available proxies in favour of adopting the Remuneration Report.
- If 25% or more votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must go up for re-election.

### 3. ELECTION OF DIRECTOR – MR ELLIS

#### Resolution 2

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That Christopher Ellis a director appointed to fill a casual vacancy and eligible to be elected, be and is hereby elected as a director of the Company.

Notes:

- Mr Ellis has consented to be elected a director of the Company.
- The non-candidate directors unanimously support the election of Mr Ellis.

- The Chairman of the Meeting intends to vote all available proxies in favour of Mr Ellis's election.

#### 4. ELECTION OF DIRECTOR – MR JOOSTE-JACOBS

##### Resolution 3

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That Johann Jooste-Jacobs a director appointed to fill a casual vacancy and eligible to be elected, be and is hereby elected as a director of the Company.

Notes:

- Mr Jooste-Jacobs has consented to be elected a director of the Company.
- The non-candidate directors unanimously support the election of Mr Jooste-Jacobs.
- The Chairman of the Meeting intends to vote all available proxies in favour of Mr Jooste-Jacobs's election.

#### 5. ELECTION OF DIRECTOR – MR ALLAN DAVIES

##### Resolution 4

To consider and if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

That Allan Davies a director appointed to fill a casual vacancy and eligible to be elected, be and is hereby elected as a director of the Company.

Notes:

- Mr Allan Davies has consented to be elected a director of the Company.
- The non-candidate directors unanimously support the election of Mr Allan Davies.
- The Chairman of the Meeting intends to vote all available proxies in favour of Mr Davies's election.

#### ITEMS OF SPECIAL BUSINESS

#### 6. APPROVAL OF 10% PLACEMENT FACILITY

##### Resolution 5

To consider and, if thought fit, to pass with or without amendment, the following resolution as a special resolution:

That for the purpose of Listing Rule 7.1A and for all other purposes, Shareholders approve the issue of Equity Securities up to 10% of the issued capital of the Company (at the time of issue) calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions in the accompanying Explanatory Notes.

The Chairman of the Meeting intends to vote all available proxies in favour of approving the 10% placement facility.

## 7. GRANTING OF OPTIONS TO MR JOOSTE-JACOBS

### Resolution 6

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

That in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act, the Company be permitted and authorised to grant 4,500,000 Options to Johann Jooste-Jacobs or his nominee for nil cash consideration, as follows:

Number of Options	Vesting Date	Expiry Date	Exercise Price per Share
1,000,000	1 <sup>st</sup> January 2014	31 <sup>st</sup> December 2018	15 cents (\$0.15)
1,500,000	1 <sup>st</sup> January 2015	31 <sup>st</sup> December 2019	22 cents (\$0.22)
2,000,000	1 <sup>st</sup> January 2016	31 <sup>st</sup> December 2020	28 cents (\$0.28)
<hr/> 4,500,000 <hr/>			

and otherwise on the terms and conditions set out in the accompanying Explanatory Notes.

The Chairman of the Meeting intends to vote all available proxies in favour of approving the granting of Options to Mr Jooste-Jacobs or his nominee.

## 8. GRANTING OF OPTIONS TO MR DAVIES

### Resolution 7

To consider and, if thought fit, to pass with or without amendment, the following resolution as an ordinary resolution:

That in accordance with Listing Rule 10.11 and Chapter 2E of the Corporations Act, the Company be permitted and authorised to grant 4,500,000 Options to Allan Davies or his nominee for nil cash consideration, as follows:

Number of Options	Vesting Date	Expiry Date	Exercise Price per Share
1,000,000	1 <sup>st</sup> January 2014	31 <sup>st</sup> December 2018	15 cents (\$0.15)
1,500,000	1 <sup>st</sup> January 2015	31 <sup>st</sup> December 2019	22 cents (\$0.22)
2,000,000	1 <sup>st</sup> January 2016	31 <sup>st</sup> December 2020	28 cents (\$0.28)
<hr/> 4,500,000 <hr/>			

and otherwise on the terms and conditions set out in the accompanying Explanatory Notes.

The Chairman of the Meeting intends to vote all available proxies in favour of approving the granting of Options to Mr Davies or his nominee.

## 9. VOTING RIGHTS AND PROXIES

- A member entitled to attend and vote at the meeting has a right to appoint a proxy.
- This appointment may specify the proportion or number of votes that the proxy may exercise.
- The proxy need not be a member of the Company.
- A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the votes.

## 10. HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

The Chairman of the Meeting will vote all available proxies in favour of all proposed resolutions

## 11. VOTING EXCLUSIONS

### Resolution 1

The Company will disregard any votes cast on Resolution 1 (remuneration report):

- (a) by or on behalf of a member of the Key Management Personnel whose remuneration is disclosed in the Remuneration Report and any Closely Related Party of such a member; or
- (b) an Associate of those persons; or
- (c) as a proxy by a member of the Key Management Personnel or a Closely Related Party of such a member.

However, the Company need not disregard a vote if it is cast as a proxy for a person who is entitled to vote on Resolution 1:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with an express authorisation on the proxy form to vote as the proxy decides.

### Resolution 5

The Company will disregard any votes cast on Resolution 5 (approval of 10% placement facility) by:

- (a) a person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed; and
- (b) an Associate of those persons.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or

- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 6**

In accordance with the notice requirements of ASX Listing Rule 10.13 for approval under ASX Listing Rule 10.11 and ASX Listing Rule 14.11.1 and under section 224(1) of the Corporations Act, the Company will disregard any votes cast on Resolution 6 by:

- (a) Johann Jooste-Jacobs; and  
(b) An Associate of his.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or  
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **Resolution 7**

In accordance with the notice requirements of ASX Listing Rule 10.13 for approval under ASX Listing Rule 10.11 and ASX Listing Rule 14.11.1 and under section 224(1) of the Corporations Act, the Company will disregard any votes cast on Resolution 7 by:

- (a) Allan Davies; and  
(b) An Associate of his.

However, the Company need not disregard a vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or  
(b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

#### **LODGING YOUR PROXY**

Proxies must be sent by:

- Hand delivery to the Company's registered office at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000;
- Post to King Island Scheelite Limited, GPO Box 5154 Sydney NSW 2001; or
- Facsimile to King Island Scheelite Limited on facsimile number +61 2 8622 1401,

so that it is received not later than 10.00am Sydney time, Wednesday 13<sup>th</sup> November 2013.

## 12. DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the Corporations Act and ASX Settlement Operating Rule 5.6.1, the Directors have set End of Day on Wednesday 13th November 2013 as the time and date to determine holders of the Company's ordinary fully paid shares for the purposes of the Annual General Meeting.

Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

## EXPLANATORY NOTES

### 13. FINANCIAL REPORTS

The Financial Statements, Directors' Report and Auditor's Report for the Company for the year ended 30<sup>th</sup> June 2013 will be laid before the meeting. There is no requirement for shareholders to approve these reports. However, the Chairman of the Meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the management of the Company.

Shareholders will be given a reasonable opportunity to ask the auditor questions about the conduct of the audit and the content of the Auditor's Report.

### 14. REMUNERATION REPORT

The Remuneration Report of the Company for the financial year ended 30<sup>th</sup> June 2013 is set out in the Company's 2013 Annual Report which is available on the Company's website [www.kingislandscheelite.com.au](http://www.kingislandscheelite.com.au)

The Remuneration Report sets out the Company's remuneration arrangements for Key Management Personnel. The Chairman of the meeting will allow a reasonable opportunity for shareholders to ask questions about, or make comments on, the Remuneration Report at the meeting. In addition, shareholders will be asked to vote on the Remuneration Report.

The resolution is advisory only and does not bind the Company or its directors. The Board will consider the outcome of the vote and comments made by shareholders on the Remuneration Report at the meeting when reviewing the Company's remuneration policies. Under the *Corporations Act*, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive AGMs, shareholders will be required to vote at the second of those AGMs on a resolution (a "spill resolution") that another meeting be held within 90 days at which all of the Company's directors must go up for re-election.

The Company encourages all shareholders to cast their votes on Resolution 1 (Remuneration Report). Shareholders not attending the meeting may use the enclosed Proxy Form to lodge their vote by appointing a Proxy. Any undirected proxies held by the Chairman of the Meeting, other directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman of the Meeting pursuant to an express authorization on the Proxy Form made by a Shareholder who is entitled to vote on Resolution 1.

Key management personnel of the Consolidated Entity are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The Remuneration Report identifies the Company's Key Management Personnel for the financial year to 30<sup>th</sup> June 2013. Their Closely Related Parties are defined in the *Corporations Act*, and include certain of their family members, dependants and companies they control. If

you choose to appoint a proxy, you are encouraged to direct your proxy how to vote on Resolution 1 (Remuneration Report) by marking either "For", "Against" or "Abstain" on the Voting Form for that item of business.

## 15. ELECTION OF DIRECTORS APPOINTED TO FILL CASUAL VACANCIES

Rule 13.2 of the Company's constitution provides that the Board has the power at any time to appoint any person as a Director, either to fill a casual vacancy or as an addition to the Board. Any Director appointed under this rule may hold office only until the next annual general meeting of the Company and is then eligible for election at that meeting but is not to be taken into account in determining the number of Directors who are to retire by rotation at the meeting.

Accordingly, Messrs Ellis, Jooste-Jacobs and Davies hold office only until the end of the meeting and offer themselves for election to the Board.

### **Christopher Ellis** – Non-Executive Director, B.Sc Hons

Chris has over 30 years' experience in the exploration and mining industry in Australia and overseas. He was a founding member and Executive Director of coal mining company Excel Coal Limited, which became Australia's largest independent coal mining company before being acquired by Peabody Energy Inc. in October 2006. Chris commenced his career in the UK coal industry, followed by positions within Shell's exploration group in Southern Africa and CRAE in Western Australia. He has also held senior positions for BP Coal (London and USA), Agipcoal Australia and for the Stratford Joint Venture. Chris has core skills in geology, mining engineering and minerals processing, mainly in the coal industry with some experience in gold, base metals and diamonds. He has had overall responsibility for the design and engineering of four new mines during his career with Excel. Chris is a Non-Executive Director of Ausquest Limited (AQD).

### **Johann Jooste-Jacobs** - Independent Chairman, B.Acc, MBL, FCA, FAICD

Johann is currently also Non-Executive Chairman of ASX listed Uranex Limited and was previously Non-Executive Chairman of ASX listed iron pre producer, IMX Resources Limited. In addition, he was Chairman of Coalworks Limited and is currently a Non-Executive Director of Australian Zircon NL and TW Holdings Limited. As Chairman of IMX Resources Limited, he assisted in that company becoming the first iron ore producer in South Australia in over 100 years. Johann is a Fellow member of both the Institute of Chartered Accountants and the Institute of Company Directors of Australia and has over 30 years experience in the resource sector.

### **Allan Davies** - BE Mining (Hons), University of Queensland

Allan has over 35 years of experience in the Australian and international coal industry and is a registered mine manager in South Africa and Australia. Allan commenced work with MIM Ltd at Mt Isa and then Union Corporation in South Africa. Subsequently, he joined BP Coal where he was, in succession, mine manager at the Howick Open Cut and Director Mining, BP Coal Inc (based in Cleveland), Ohio. After returning to Australia in 1990 he became General Manager of the Agipcoal United underground mine in the Hunter Valley and after that General Manager of the Rio Tinto Hunter Valley No 1 and Howick mines. Allan was a founding executive director of Excel Coal through to the takeover of Excel Coal by Peabody in 2006. Allan was also a non-executive director of Pacific National Pty Ltd, QR National Limited, QMaster Limited and more recently an executive director of Whitehaven Coal Limited until November 2012.

Allan is currently a non-executive director of Qube Holdings Limited and Illawarra Coke.

## 16. APPROVAL OF 10% PLACEMENT FACILITY

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities up to 10% of its issued share capital through placements over a 12 month period after the annual general meeting (10% Placement Facility). The 10% Placement Facility is in addition to the Company's 15% placement capacity under Listing Rule 7.1. An eligible entity for the purposes of Listing Rule 7.1A is an entity that:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a market capitalisation of \$300 million or less (excluding restricted securities and securities quoted on a deferred settlement basis).

The Company is an eligible entity.

The Company is now seeking shareholder approval by way of a special resolution to have the ability to issue Equity Securities under the 10% Placement Facility. The exact number of Equity Securities to be issued under the 10% Placement Facility will be determined in accordance with the formula prescribed in Listing Rule 7.1A.2. Further information is set out in section (c) below.

The effect of Resolution 5 will be to allow the Directors to issue the Equity Securities under Listing Rule 7.1A during the 10% Placement Period without using the Company's 15% placement capacity under Listing Rule 7.1.

Resolution 5 is a special resolution and therefore requires approval of 75% of the votes cast by Shareholders present and eligible to vote (in person, by proxy, by attorney or, in the case of a corporate Shareholder, by a corporate representative).

### Description of Listing Rule 7.1A

- (a) **Shareholder Approval**  
The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.
- (b) **Equity Securities**  
Any Equity Securities issued under the 10% Placement Facility must be in the same class as an existing **quoted** class of Equity Securities of the Company. At the date of the Notice, the Company only has quoted shares on issue and no quoted options or convertible securities.
- (c) **Formula for calculating 10% Placement Facility**  
Listing Rule 7.1A.2 provides that eligible entities which have obtained shareholder approval at an annual general meeting may issue or agree to issue, during the 12 month period after the date of the annual general meeting, a number of Equity Securities calculated in accordance with the following formula:

$$(A \times D) - E$$

**A** is the number of shares on issue 12 months before the date of issue or agreement:

- (i) plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
- (ii) plus the number of partly paid shares that become fully paid in the 12 months;

- (iii) plus the number of fully paid shares issued in the 12 months with approval of holders of shares under Listing Rule 7.1 and 7.4. This does not include an issue of fully paid shares under the entity's 15% placement capacity without shareholder approval;
- (iv) less the number of fully paid shares cancelled in the 12 months.

Note that A has the same meaning in Listing Rule 7.1 when calculating an entity's 15% placement capacity.

D is 10%

E is the number of Equity Securities issued or agreed to be issued under the Listing Rule 7.1A.2 in the 12 months before the date of the issue or agreement to issue that are not issued with the approval of shareholders under Listing Rule 7.1 or 7.4.

### Number of Shares on Issue

At the date of the Notice, the Company has a total of 135,152,403 Shares on issue.

### Minimum Issue Price

The issue price of Equity Securities issued under Listing Rule 7.1A must be not less than 75% of the volume weighted average price (VWAP) of Equity Securities in the same class calculated over the 15 Trading Days on which trades in that class were recorded immediately before:

- (a) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (b) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the Equity Securities are issued.

### 10% Placement Period

Shareholder approval of the 10% Placement Facility under Listing Rule 7.1A is valid from the date of the annual general meeting at which the approval is obtained and expires the earlier to occur of:

- (a) the date that is 12 months after the date of the annual general meeting at which approval is obtained; or
- (b) the date of the approval by shareholders of a transaction under Listing Rules 11.1.2 (a significant change to the nature or scale of activities) or 11.2 (disposal of main understanding). (**10% Placement Period**)

### Specific Information required by Listing Rule 7.3A

Pursuant to and in accordance with Listing Rule 7.3A, the following information is provided in relation to the approval of the 10% Placement Facility:

- (a) the Equity Securities will be issued at an issue price of not less than 75% of the VWAP for the Company's Equity Securities over the 15 Trading Days on which trades in that class were recorded immediately before:
  - (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
  - (ii) if the Equity Securities are not issued within 5 Trading Days of the date in paragraph (i) above, the date on which the Equity Securities are issued.

(b) If Resolution 5 is approved by Shareholders and the Company issues Equity Securities under the 10% Placement Facility, the existing Shareholders' voting power in the Company will be diluted as shown in the below table (in the case of options, only if the options are exercised). There is a risk that:

- (i) the market price for the Company's Equity Securities may be significantly lower on the date of the issue of the Equity Securities than on the date of the Meeting; and
- (ii) the Equity Securities may be issued at a price that is at a discount to the market price for the Company's Equity Securities on the issue date

which may have an effect on the amount of funds raised by the issue of the Equity Securities.

The table below shows the dilution of existing Shareholders on the basis of the current market price of Shares and the current number of ordinary securities for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at the date of this Notice.

The table also shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of ordinary securities the Company has on issue. The number of ordinary securities on issue may increase as a result of issues of ordinary securities that do not require Shareholder approval (for example, a pro rata entitlements issue or scrip issued under a takeover offer) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of ordinary securities has decreased by 50% and increased by 100% as against the current market price.

Variable 'A' in Listing Rule 7.1A.2	Issue price examples	Number of Shares examples		Variable		
				50% decrease in Issue Price	Issue Price	100% Increase in Issue Price
				\$0.035	\$0.070	\$0.140
Current Variable A		135,152,403	10% Voting Dilution	13,515,240	13,515,240	13,515,240
			Funds raised	\$473,033	\$946,067	\$1,892,134
50% increase in Current Variable A		202,728,605	10% Voting Dilution	20,272,860	20,272,860	20,272,860
			Funds raised	\$709,550	\$1,419,100	\$2,838,200
100% increase in Current Variable A		270,304,806	10% Voting Dilution	27,030,481	27,030,481	27,030,481
			Funds raised	\$946,067	\$1,892,134	\$3,784,267

The table has been prepared on the following assumptions:

- (i) The Company issues the maximum number of Equity Securities available under the 10% Placement Facility.
- (ii) No options (including any options issued under the 10% Placement Facility) are exercised before the date of the issue of the Equity Securities;
- (iii) The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.

- (iv) The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Facility, based on that Shareholder's holding at the date of the Meeting.
- (v) The table shows only the effect of issues of Equity Securities under Listing Rule 7.1A, not under the 15% placement capacity under Listing Rule 7.1.
- (vi) The issue of Equity Securities under the 10% Placement Facility consists only of Shares. If the issue of Equity Securities includes options, it is assumed that those options are exercised into Shares for the purpose of calculating the voting dilution effect on existing Shareholders.
- (vii) The issue price is 7.0 cents (\$0.070), being the opening price of the Shares on the ASX 30<sup>th</sup> September 2013.

(c) The Company will only issue and allot the Equity Securities during the 10% Placement Period. The approval under Resolution 5 for the issue of the Equity Securities will cease to be valid in the event that Shareholders approve a transaction under Listing Rule 11.1.2 (a significant change to the nature or scale of activities or Listing Rule 11.2 (disposal of main undertaking).

(d) The Company may seek to issue the Equity Securities for the following purposes:

- (i) non-cash consideration for the acquisition of new resources assets and investments. In such circumstances the Company will provide a valuation of the non-cash consideration as required by Listing Rule 7.1A.3; or
- (ii) cash consideration. In such circumstances, the Company intends to allocate the funds towards additional working capital while the Company progresses development funding for the Dolphin Project.

The Company will comply with the disclosure obligations under the Listing Rules 7.1A.4 and 3.10.5A upon issue of any Equity Securities. The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issue pursuant to the 10% Placement Facility.

The identity of the allottees of Equity Securities will be determined on a case-by-case basis having regard to the factors including but not limited to the following:

- (i) the methods of raising funds that are available to the Company, including but not limited to, rights issue or other issue in which existing security holders can participate;
- (ii) the effect of the issue of the Equity Securities on the control of the Company;
- (iii) the financial situation and solvency of the Company; and
- (iv) advice from corporate, financial and broking advisers (if applicable).

The allottees under the 10% Placement Facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or Associates of a related party of the Company.

Further, if the Company is successful in acquiring new resources assets or investments, it is likely that the allottees under the 10% Placement Facility will be vendors of the new resources assets or investments.

(e) The Company previously obtained Shareholder approval under Listing Rule 7.1A at the Company's Annual General Meeting held 21<sup>st</sup> November 2012:

During the preceding 12 months, a total of 38,615,112 Equity Securities were issued representing 38.2% of total Equity Securities on issue at the commencement of that 12 month period (101,037,291).

The table below shows details of issues of Equity Securities by the Company during the preceding 12 months:

	Cash price per Equity Security Cents	Shares Number	Unlisted Options Number	Total Equity Securities Number
Balance at opening of previous 12 month period		96,537,291	4,500,000	101,037,291
11 <sup>th</sup> July 2013 <sup>1</sup>	5.1 (\$0.051) <sup>2</sup>	17,018,485	-	17,018,485
16 <sup>th</sup> July 2013 <sup>1</sup>	5.1 (\$0.051) <sup>2</sup>	21,596,627	-	21,596,627
		38,615,112	-	38,615,112
Balance at end of previous 12 month period		135,152,403	4,500,000	139,652,403

The table below shows participants in the issues of Equity Securities by the Company during the preceding 12 months:

Participant	Date	Shares Number	Unlisted Options Number	Total Equity Securities Number
Shareholders	11 <sup>th</sup> July 2013 <sup>1</sup>	17,018,485	-	17,018,485
Underwriters	16 <sup>th</sup> July 2013 <sup>1</sup>			
Finmin Solutions Pty Ltd		980,393	-	980,393
Chrysalis Investments Pty Ltd		9,994,662	-	9,994,662
Pacific Road Provident Pty Ltd		1,960,786	-	1,960,786
Mr Giuseppe Coronica		1,960,786	-	1,960,786
Mr Richard Willmot Chadwick and Mrs Gwenda Ann Chadwick		6,700,000	-	6,700,000
		21,596,627	-	21,596,627
		38,615,112	-	38,615,112

<sup>1</sup> Company's non-renounceable rights issue offer announced 29<sup>th</sup> May 2013.

<sup>2</sup> Cash price was at a 20% discount to the volume weighted average market price for the Shares for the thirty trading days preceding the Company's non-renounceable rights issue offer announced 29<sup>th</sup> May 2013.

The table below shows details of cash consideration received from issues of Equity Securities by the Company during the preceding 12 months, amount of that cash that has been spent, what it was spent on, and the intended use for the remaining amount of cash:

	Cash on hand 30 <sup>th</sup> June 2013 \$000	Total cash consideration from issue of Equity Securities 1 <sup>st</sup> July 2013 to 31 <sup>st</sup> August 2013 \$000	Cash Expenditure 1 <sup>st</sup> July 2013 to 31 <sup>st</sup> August 2013 \$000	Intended use of remaining cash 31 <sup>st</sup> August 2013 \$000
Offer Costs	-	100	(86)	14
Update the definitive feasibility study including exploration drilling	-	1,200	(13)	1,187
Fund general working capital requirements	769	669	(237)	1,201
<b>Total</b>	<b>769</b>	<b>1,969</b>	<b>(336)</b>	<b>2,402</b>

- (f) A voting exclusion statement is included in the Notice. At the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the Equity Securities. No existing Shareholder's votes will therefore be excluded under the voting exclusion in the Notice.

## 17. GRANTING OF OPTIONS TO DIRECTORS

### Background

Subject to Shareholder approval, the Company proposes to grant a total of 4,500,000 Options to Johann Jooste-Jacobs and 4,500,000 Options to Allan Davies, or their respective nominees, on terms and conditions as set out in these Explanatory Notes.

The exercise prices of the proposed issue of Options that would be granted are 15 cents (\$0.15), 22 cents (\$0.22) and 28 cents (\$0.28), which is higher than 9 cents (\$0.09) being the highest traded price of the Shares on the ASX since 1<sup>st</sup> September 2012.

### *Remuneration payable to Mr Jooste – Jacobs*

The cash remuneration paid to date by the Company to Mr Jooste - Jacobs is at the rate of \$30,987 p.a. plus 9% (commencing 1<sup>st</sup> July 2013 9.25%) statutory superannuation for Mr Jooste-Jacobs to be an independent Director and Chairman.

The remuneration received by Johann Jooste-Jacobs during the period 30<sup>th</sup> November 2012<sup>3</sup> to 30<sup>th</sup> June 2013 is as follows:

Year	Salary and fees \$	Superannuation benefits \$	Total \$
2013	18,161	1,634	19,795
2012	-	-	-

*Remuneration payable to Mr Davies*

The cash remuneration payable commencing 30<sup>th</sup> September 2013<sup>4</sup> by the Company to Mr Davies is at the rate of \$26,400 p.a. plus 9.25% statutory superannuation for Mr Davies to be a non-executive Director.

**Trading History**

On 30<sup>th</sup> September 2013, the Company's share price was 7 cents (\$0.070). Since 1<sup>st</sup> September 2012, the Company's lowest and highest share price trade on the ASX and monthly turnover are as follows:

Month	Monthly share price range	Monthly volume traded on ASX
September 2012	\$0.070 to \$0.090	1,082,213
October 2012	\$0.060 to \$0.075	576,333
November 2012	\$0.052 to \$0.065	865,338
December 2012	\$0.052 to \$0.057	84,855
January 2013	\$0.052 to \$0.090	405,834
February 2013	\$0.069 to \$0.072	67,912
March 2013	\$0.055 to \$0.070	111,434
April 2013	\$0.060 to \$0.080	323,431
May 2013	\$0.048 to \$0.073	412,615
June 2013	\$0.046 to \$0.058	1,824,520
July 2013	\$0.048 to \$0.050	1,176,618
August 2013	-	-

<sup>3</sup> Mr Jooste-Jacobs commenced as a Director on 30<sup>th</sup> November 2012.

<sup>4</sup> Mr Davies commenced as a Director on 30<sup>th</sup> September 2013.

Since 1<sup>st</sup> September 2012 the Share price has ranged between 4.6 cents (\$0.046) and 9 cents (\$0.090) per Share, with no Shares being traded in August 2013. The monthly average volume traded on the ASX was in the vicinity of 578,000 Shares.

#### Dilution effects on existing members interests

If the Options to be granted pursuant to Resolutions 6 and 7 are exercised, the effect will be to dilute the interests of existing Shareholders.

The table below sets out the impact of passing Resolutions 6 and 7 inclusive, on the number of Shares and Options on an undiluted and diluted basis.

	Undiluted Shares	Fully diluted Shares	Potential dilution of issued capital
	Number	Number	%
Shares on issue at the date of the Notice	135,152,403	135,152,403	-
Options on issue with an exercise price of 25 cents (\$0.25) and expiring 31 <sup>st</sup> December 2013	-	1,000,000	0.7
Options on issue with an exercise price of 50 cents (\$0.50) and expiring 31 <sup>st</sup> December 2013	-	1,500,000	1.1
Options on issue with an exercise price of 100 cents (\$1.00) and expiring 31 <sup>st</sup> December 2013	-	2,000,000	1.5
Equity Securities on issue at the date of the Notice	135,152,403	139,652,403	3.3
Proposed granting of Options to Johann Jooste-Jacobs or his nominee	-	4,500,000	3.3
Proposed granting of Options to Allan Davies or his nominee	-	4,500,000	3.3
New potential issued capital	135,152,403	148,652,403	9.9

#### Opportunity costs and taxation consequences to the Company

It is not considered that from an economic and commercial point of view that there are any costs or detriments, including opportunity costs or taxation consequences for the Company or benefits foregone by the Company resulting from the granting of Options pursuant to Resolutions 6 and 7. Australian Accounting Standards (AASBs) may require the Company to expense:

1. The 4,500,000 Options proposed to be granted to Mr Jooste-Jacobs or his nominee, with the expense being transferred to an Option Reserve being estimated at between \$181,400 and \$196,550 depending on volatility; and
2. The 4,500,000 Options proposed to be granted to Mr Davies or his nominee, with the expense being transferred to an Option Reserve being estimated between \$181,400 and \$196,550 depending on volatility.

These amounts are expected to be transferred from the Option Reserve to Issued Capital when (and if) the Options are exercised. If the Options lapse, the amounts will remain in the Option Reserve.

### Current Directors' Interests

#### *Equity Securities held by Mr Jooste-Jacobs*

The table below sets out Equity Securities held in the Company by Mr Jooste-Jacobs's related entities.

The movement, since Mr Jooste-Jacobs's appointment as a Director, in the number of Equity Securities of the Company held, directly, indirectly or beneficially, by Mr Jooste-Jacobs, including his personally-related entities is as follows:

Equity Securities	Number held 30 <sup>th</sup> November 2012 <sup>5</sup>	Number held at the date of the Notice
Ordinary fully paid shares	29,167	<u>1,021,227</u>

#### *Equity Securities held by Mr Davies*

The table below sets out Equity Securities held in the Company by Mr Davies's related entities.

The movement, since Mr Davies's appointment as a Director, in the number of Equity Securities of the Company held, directly, indirectly or beneficially, by Mr Davies, including his personally-related entities is as follows:

Equity Securities	Number held 30 <sup>th</sup> September 2013 <sup>6</sup>	Number held at the date of the Notice
Ordinary fully paid shares	2,887,367	<u>2,887,367</u>

### Listing Rules

Pursuant to Listing Rule 10.13, the following information is provided regarding Listing Rule 10.11 approval:

#### *Rule 10.13.1: Name of person:*

Johann Jooste-Jacobs and Allan Davies

#### *Rule 10.13.2: Number of securities to be issued to the person:*

Mr Jooste-Jacobs 4,500,000 Options

Mr Davies 4,500,000 Options

<sup>5</sup> Mr Jooste-Jacobs commenced as a Director on 30<sup>th</sup> November 2012.

<sup>6</sup> Mr Davies commenced as a Director on 30<sup>th</sup> September 2013.

*Rule 10.13.3: Date by which the securities are to be issued:*

If Shareholders approve Resolutions 6 and 7, the issue and allotment of the Options to Messrs Jooste-Jacobs and Davies, or their respective nominees, will occur on a date which is up to one month after the date of this AGM.

*Rule 10.13.4: Nature of relationship:*

Johann Jooste-Jacobs is the Chairman of the Company.

Allan Davies is a non-executive director of the Company

*Rule 10.13.5: Issue price of the securities and a statement of terms of issue:*

The Options will be granted to Johann Jooste-Jacobs or his nominee for nil consideration.

Number of Options	Vesting Date	Expiry Date	Exercise Price per Share
1,000,000	1 <sup>st</sup> January 2014	31 <sup>st</sup> December 2018	15 cents (\$0.15)
1,500,000	1 <sup>st</sup> January 2015	31 <sup>st</sup> December 2019	22 cents (\$0.22)
2,000,000	1 <sup>st</sup> January 2016	31 <sup>st</sup> December 2020	28 cents (\$0.28)
<hr/> 4,500,000 <hr/> <hr/>			

The Options will be granted to Allan Davies or his nominee for nil consideration.

Number of Options	Vesting Date	Expiry Date	Exercise Price per Share
1,000,000	1 <sup>st</sup> January 2014	31 <sup>st</sup> December 2018	15 cents (\$0.15)
1,500,000	1 <sup>st</sup> January 2015	31 <sup>st</sup> December 2019	22 cents (\$0.22)
2,000,000	1 <sup>st</sup> January 2016	31 <sup>st</sup> December 2020	28 cents (\$0.28)
<hr/> 4,500,000 <hr/> <hr/>			

The Options are subject to the following salient terms and conditions:

- the Options will be issued at no cost;
- each Option entitles the holder thereof to subscribe for one Share in the Company;
- the Options may be exercised in whole or in part by notice in writing being delivered to the Company at any time prior to or on each Expiry Date.;
- the exercise prices of the Options are 15 cents (\$0.15), 22 cents (\$0.22), and 28 cents (\$0.28) for each Share subscribed for;

- any Option not exercised on or before each Expiry Date will expire and cease to carry any rights or benefits;
- a statement will be issued for the Options. A new holding statement will be issued when a change takes place in the number of Options held;
- the holder of Options will not have the right to participate in new issues of capital which may be offered to Shareholders during the currency of the Options. Any change to the Option's exercise price or the number of underlying securities must be made in accordance with Listing Rules 6.21 and 6.22;
- the rights of the holders of Options will change to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation;
- the Options are freely transferable;
- Shares issued pursuant to the exercise of the Options will be allotted following receipt of all relevant documents and payments in respect thereto and will rank for dividends pro rata with the existing issued Shares, as at the date of exercise of the Options. Subject to any ASX ruling regarding Restricted Securities, Shares so issued will rank pari passu with the then issued Shares of the Company; and
- the Options will not be listed on the ASX. The Company will make application for any Shares issued upon the exercise of any Option to be granted Official Quotation by the ASX.

*Rule 10.13.6A: Intended use of the funds:*

No funds will be raised from the issue of Options. On an exercise of an Option, the Option holder will subscribe the Exercise Price per Share. The Company intends to allocate these funds towards additional working capital while the Company progresses development funding for the Dolphin Project.

*Rule 10.13.6: A voting exclusion statement:*

A Voting Exclusion Statement is included at paragraph 11 of the Notice.

*Rule 7.2, Exception 14: Approval not required under Rule 7.1:*

As approval for the issue of the Shares referred to in Resolutions 6 and 7 is being sought under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

## **Chapter 2E of the Corporations Act**

In addition to Listing Rule 10.11, approval of Shareholders of the granting of Options (financial benefit) to Johann Jooste-Jacobs and Allan Davies (related parties) is being sought pursuant to Section 208(1)(a) of the Corporations Act. In accordance with Section 219, the Company discloses the following information:

*The related party to whom the proposed resolution would permit a financial benefit to be given:*

Johann Jooste-Jacobs or his nominee: Johann Jooste-Jacobs is the Chairman of the Company.

Allan Davies or his nominee: Allan Davies is a non-executive Director of the Company.

*The nature of the financial benefits:*

Mr Jooste-Jacobs 4,500,000 Options

Mr Davies 4,500,000 Options

*Directors' recommendations:*

Each of Christopher Ellis and Allan Davies recommends that Shareholders vote in favour of Resolution 6. Johann Jooste-Jacobs makes no recommendation regarding Resolution 6 because he has an interest in it.

Each of Christopher Ellis and Johann Jooste-Jacobs recommends that Shareholders vote in favour of Resolution 7. Allan Davies makes no recommendation regarding Resolution 7 because he has an interest in it.

*Directors' interests in resolutions:*

Neither Christopher Ellis nor Allan Davies has an interest in Resolution 6. Johann Jooste-Jacobs has an interest in Resolution 6 as set out above.

Neither Christopher Ellis nor Johann Jooste-Jacobs has an interest in Resolution 7. Allan Davies has an interest in Resolution 7 as set out above.

*All other relevant information:*

The proposed granting of Options to Johann Jooste-Jacobs and Allan Davies, or their respective nominees, is in consideration of the provision of his services to the Company in the future and to incentivise their contribution to efforts to lift the Company's share price.

The terms of granting of the Options to Johann Jooste-Jacobs and Allan Davies, the subject of Resolutions 6 and 7, have been approved by the independent Board of Directors.

**Valuation:** In view of the small trading range in share price and low monthly average turnover on the ASX, it is difficult to provide a definitive valuation of the Options the subject of Resolutions 6 and 7. To provide a valuation, the Company has adopted two valuation methods, the Tax Act and Black Scholes.

**Tax Act:** the methodology is set out in Division 13A, Subdivision F of the Tax Act.

The value of the Options the subject of Resolutions 6 and 7 is principally a function of:

- the difference between the market price of Shares in the Company and the exercise price of the Option; and
- the term of the Option.

For example, if the exercise price is lower than the current market price, the Option has an immediate value. Similarly, the greater the term of the Option, the higher is its value. The proposed Options may be exercised in whole or in part at any time prior to or on each Expiry Date.

1. Under the Tax Act, the assessable income of Johann Jooste-Jacobs and Allan Davis would include any 'discount' attributable to the Options. This discount is treated as a measure of the benefit received. The

Tax Act contains a formula for working out the market value of an option at the time of acquisition, although this is not necessarily the taxable "discount". Using this formula, the value of the proposed Options would be nil per Option based on the market value of Shares on 30<sup>th</sup> September 2013.

2. Messrs Ellis and Davies resolved to recommend to Shareholders the issue of Options to Mr Jooste-Jacobs or his nominee. The aggregate value of 4,500,000 Options (based on the market price of Shares in the Company on 30<sup>th</sup> September 2013 of 7 cents (\$0.07) is nil.
3. Messrs Ellis and Jooste-Jacobs resolved to recommend to Shareholders the issue of Options to Mr Davies or his nominee. The aggregate value 4,500,000 Options (based on the market price of Shares in the Company on 30<sup>th</sup> September 2013 of 7 cents (\$0.07) is nil.
4. Black Scholes: the Black Scholes option pricing model has also been applied. Applying the Black Scholes model, and assuming an interest rate of 3.41% and volatility of 110%, the:
  - 4.1. 4,500,000 Options proposed to be granted to Mr Jooste-Jacobs or his nominee are valued at \$196,550, assuming a volatility of 100% the Options are valued at \$181,400; and
  - 4.2. 4,500,000 Options proposed to be granted to Mr Davies or his nominee are valued at \$196,550, assuming a volatility of 100% the Options are valued at \$181,400; and
5. The Black Scholes model is critically dependent upon the volatility of the relevant share price. In this case, the use of the Black Scholes model is seen to be subjective for the following reasons:
  - 5.1. trading in the Shares of the Company has been thin, with only a turnover on the ASX of 6,931,103 Shares, or 5.1% of the current issued Shares, between 1<sup>st</sup> September 2012 and 31<sup>st</sup> August 2013;
  - 5.2. shares in the Company are rarely traded; and
  - 5.3. the Black Scholes model assumes that there is a liquid market for options. The proposed Options will not be listed and, accordingly, a marketability discount would generally be applicable.

## 18. INTERPRETATION

For the purposes of interpreting the Explanatory Notes and the Notice:

- (a) the singular includes the plural and vice versa;
- (b) words importing any gender include the other genders;
- (c) reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;
- (d) all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define limit or affect the meaning or interpretation of the Explanatory Notes and the Notice;
- (e) reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and

- (f) reference to **cents, \$, A\$, Australian Dollars** or **dollars** is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

## 19. GLOSSARY

**AGM** or **Annual General Meeting** means the annual general meeting to commence 10.00am Sydney time on Friday 15<sup>th</sup> November 2013 and notified to the Company's Shareholders by this Notice.

**Associate** has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

**ASX** means ASX Limited ABN 98 008 624 691.

**ASX Listing Rules** means the official listing rules issued and enforced by the ASX, as amended from time to time, and **Listing Rules** has a corresponding meaning.

**Board** or **Board of Directors** means the board of Directors of the Company.

**Closely Related Party** of a member of the Key Management Personnel means:

- (a) a spouse or child of the member;
- (b) a child of the member's spouse;
- (c) a dependent of the member or the member's spouse;
- (d) anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;
- (e) a company the member controls; or
- (f) a person prescribed by the Corporations Regulations 2001 (Cth).

**Company** means King Island Scheelite Limited (ABN 40 004 681 734).

**Consolidated Entity** means the Company together with all the entities it is required by the accounting standards to include in consolidated financial statements.

**Constitution** means the constitution of the Company, as amended from time to time.

**Corporations Act** means the *Corporations Act 2001* (Commonwealth) as amended from time to time.

**Director** means a director of the Company.

**End of Day** means on any Trading Day, 7.00pm Sydney time or such other time as ASX Settlement may from time to time determine.

**Equity Securities** has the same meaning as in the ASX Listing Rules.

**Explanatory Notes** means the notes included in the Notice which convened this meeting.

**Key Management Personnel** has the same meaning as in the accounting standards and broadly includes those persons having authority and responsibility for planning, directing and controlling the activities of the

Consolidated Entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

**Notice** means this notice of Annual General Meeting.

**Option** means an option in the issued capital of the Company which when exercised converts into one fully paid ordinary share in the issued capital of the Company on the terms set out in the Explanatory Notes.

**Remuneration Report** means the remuneration report which forms part of the Directors' Report of the Company for the financial year ended 30<sup>th</sup> June 2013 and which is set out in the 2013 Annual Report.

**Share** means a fully paid ordinary share in the issued capital of the Company and **Shares** has a corresponding meaning.

**Shareholder** means shareholder of the Company and **Shareholders** has a corresponding meaning.

**Tax Act** means the *Income Tax Assessment Act 1997*.

**Trading Day** means a day determined by the ASX to be a trading day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

## 20. REGISTERED OFFICE

King Island Scheelite Limited ABN: 40 004 681 734

Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000

Telephone: +61 2 8622 1400

Facsimile: + 61 2 8622 1401

[www.kingislandscheelite.com.au](http://www.kingislandscheelite.com.au)

## PROXY FORM

I/We, \_\_\_\_\_(insert name / address)

being a member/s of King Island Scheelite Limited ABN 40 004 681 734 ("Company") hereby appoint

\_\_\_\_\_(insert name / address)

or failing him or her the Chairman of the Meeting<sup>1</sup> as my/our proxy to vote on my/our behalf at the Annual General Meeting of the Company to be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000, commencing at 10.00am Sydney time on Friday 15th November 2013, and at any adjournment of that meeting.

<sup>1</sup>If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business. The Directors and other Key Management Personnel of the Consolidated Entity and their Closely Related Parties (see the Notice of Meeting and overleaf) will not cast any votes in respect of Resolution 1 (Remuneration Report) that arise from undirected proxies that they hold. The Chairman of the Meeting intends to vote all available proxies in favour of all Resolutions.

If the Chairman of the Meeting is appointed as your proxy, or may be appointed by default and you do not wish to direct your proxy how to vote please place a mark in the box. By marking this box, you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the resolutions. Votes cast by the Chairman of the Meeting for the resolutions other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on the resolutions and your votes will not be counted in calculating the required majority if a poll is called on the resolutions.

I/we authorize the Chairman of the Meeting to vote on Resolution 1 in accordance with his/her intentions as set out in the Notice of Meeting and this form (except where I/we have indicated a different voting intention by marking the voting boxes). I/we acknowledge that the Chairman of the Meeting may exercise my/our proxy in relation to Resolution 1, even though Resolution 1 is connected directly or indirectly with the remuneration of members of Key Management Personnel of the Consolidated Entity.

If you do not mark this box and you do not direct the Chairman of the Meeting how to vote on Resolution 1, the Chairman of the Meeting will NOT cast any vote in respect of Resolution 1 that arise from undirected proxies.

If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll.

**PROXY FORM ANNUAL GENERAL MEETING Friday 15th November 2013**

This proxy is to be used in respect of all / \_\_\_% (*number*) of the Ordinary Shares I / we hold.

I/We instruct my/our proxy to vote as follows (the resolutions are numbered as in the Notice of Annual General Meeting):

	For	Against	Abstain
To consider and, if thought fit, to pass, with or without amendment, the following resolutions:			
<b>Resolution 1:</b> To adopt the Remuneration Report.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 2:</b> To elect Christopher Ellis as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 3:</b> To elect Johann Jooste-Jacobs as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 4:</b> To elect Allan Davies as a Director of the Company.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 5:</b> To approve 10% Placement Facility.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 6:</b> To approve granting of Options to Johann Jooste-Jacobs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Resolution 7:</b> To approve granting of Options to Allan Davies	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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(insert name / address)

Dated: \_\_\_\_\_ 2013

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature
Signature

Director
Director/Company Secretary

## Instructions for Completing Proxy Form

1. A member entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote on behalf of that member.
2. You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on one item, your vote on that item will be invalid.
3. Any undirected proxies held by the Chairman of the Meeting, other directors or other Key Management Personnel or any of their Closely Related Parties will not be voted on Resolution 1 (Remuneration Report), unless the vote is cast by the Chairman of the Meeting pursuant to an express authorization on the Proxy Form made by a Shareholder who is entitled to vote on Resolution 1.
4. Key management personnel of the Consolidated Entity are the directors of the Company and those other persons having authority and responsibility for planning, directing and controlling the activities of the Consolidated Entity, directly or indirectly. The Remuneration Report identifies the Consolidated Entity's Key Management Personnel for the financial year to 30<sup>th</sup> June 2013. Their Closely Related Parties are defined in the *Corporations Act*, and include certain of their family members, dependants and companies they control.
5. A duly appointed proxy need not be a member of the Company. This form should be signed by the member. If a joint holding, either member may sign. If signed by the member's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the member's constitution and the *Corporations Act*.
6. Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the *Corporations Act*. Section 127 of the *Corporations Act* provides that a company may execute a document without using its common seal if the document is signed by:
  - directors of the company;
  - a director and a company secretary of the company; or
  - for a proprietary company that has a sole director who is also the sole company secretary – that director.
7. For the Company to rely on the assumptions set out in Section 129(5) and (6) of the *Corporations Act*, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.
8. Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.
9. Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.
10. To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:
  - Hand delivery to the Company's registered office at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000;
  - Post to King Island Scheelite Limited, GPO Box 5154 Sydney NSW 2001; or
  - Facsimile to King Island Scheelite Limited on facsimile number +61 2 8622 1401,

so that it is received not later than 10.00am Sydney time, Wednesday 13th November 2013.

Proxy forms received later than this time will be invalid.

11. Chapter 2C of the *Corporations Act* requires information about you as a member (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.

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**APPOINTMENT OF CORPORATE REPRESENTATIVE**

Pursuant to Section 250D of the *Corporations Act*

\_\_\_\_\_ (ABN/ACN/ARBN) \_\_\_\_\_

(Insert name of Shareholder/Body Corporate & ACN/ARBN)

Hereby Authorises

\_\_\_\_\_

(Insert name of appointee)

- (\* ) 1. To act as the Company's representative at all General Meetings of King Island Scheelite Limited (ABN 40 004 681 734).
- (\* ) 2. To act as the Company's Representative at the Annual General Meeting to be held at 10.00am Sydney time on Friday 15th November 2013 and any adjournment thereof.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

**Executed** by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act* in the presence of:

\_\_\_\_\_

(\* ) Director      (\* ) Sole Director & Sole Secretary

\_\_\_\_\_

(\* ) Director/Secretary

Affix Common Seal here (optional)

(\* ) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of Annual General Meeting which this appointment accompanies or handed in at the Annual General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.