KING ISLAND SCHEELITE
ASX : KIS

3 June 2019

REDEVELOPMENT OF DOLPHIN OPEN-CUT PROJECT – COMPLETION OF FEASIBILITY STUDY AND DEVELOPMENT TIMELINE

Highlights

- **The Company has recently completed a Feasibility Study and Revised Mineral Reserve Estimate**
- **The probable reserves, in accordance with JORC 2012 code, are estimated to be 3.0 million tonnes at a grade of 0.73% WO_3 (Cut-off 0.2%)**
- **Financial modelling for the redevelopment of the Dolphin Open-cut Project predicts robust return on investment[1]**
- **Operating costs in the lowest quartile of its comparable peer group**
- **Initial capital costs, per unit of production, highly competitive with its peer group**
- **Capital costs based on *Level 3 engineering study* and actual quotes obtained**
- **Production commissioning is expected to take place within 15 months after achieving financial close[2]**

King Island Scheelite Limited (**ASX: KIS**) ("the Company") is pleased to advise, in detail, the financial and economic results derived from the recently updated Feasibility Study and Revised Mineral Reserve Estimate based on studies conducted by Xenith Mining, Gekko Systems and other independent consultants.

King Island Scheelite Chairman, Johann Jacobs, said:

"Having recently secured the first of a number of multi-year offtake agreements, together with the flexibility in the operating site and supportive local community, we now look forward to achieving frequent operational milestones as we proceed to tungsten production, anticipated in 2021.

The King Island Scheelite team has actively progressed and de-risked the 100% owned Dolphin tungsten project, both technically and commercially. As part of this process, we commissioned independent consultants to provide inputs into a financial model to prepare scenario analysis to assist in interpreting the net present value ranges, potential returns and expected payback period, associated

[1] Refer to Dolphin Mine Feasibility Study and Revised Ore Reserve (Annexure A) page 6.
[2] Refer to Annexure A page 7.

with the Dolphin Open-cut Project. The impressive indicative economics reiterate that we have chosen to develop the right project with the right commodity in the right place and time."

Feasibility Study and Revised Mineral Reserve Estimate

Attached to this announcement is the Feasibility Study and Revised Mineral Reserve Estimate, together with JORC (2012) Table 1, Sections 1 to 4 compiled by Mr Tim Callaghan, a Member of the Australian Institute of Mining and Metallurgy.

The Study outlines that the Dolphin Open-cut Project is planned to mine and process approximately 400ktpa of ore for eight years to produce approximately 3,500t of WO_3 concentrate per year. This concentrate will be sold into a market with strongly growing demand and constrained supply.

The Dolphin processing plant has been substantially modified since the 2015 Reserve Estimation. Processing will now be conducted through, primarily, a gravity circuit followed by a small flotation circuit to which some of the gravity tails will report.

The Company has carried out further site infrastructure engineering works, resulting in significant capital and operating cost savings from the previous estimation.

Economic Analysis

The study indicates the following potential economic benefits flowing to the Company on the successful redevelopment of its 100% owned Dolphin Tungsten Project in King Island, Tasmania. The sensitivity of these benefits to a range of criteria, including grade, recovery, operating costs, strip ratio, foreign exchange rate and more, is analysed in the Feasibility Study.

	Base
Net present value (NPV) – Project, pre gearing and pre-tax, at 8% discount rate	**A$146m**
Internal rate of return (IRR) – pre-tax	**47%**
Capital payback, pre-tax – years	**2.75**

Operating Costs

Operating costs were determined as detailed in the section Financial Model Input Assumptions.

The resultant average life of mine costs, at a recovery of 77% is as follows:

	A$ per mtu of WO_3 produced
Mining	46.00
Processing	50.00
Transport and Other	9.00
Royalties	24.00
Total	**129.00**

Capital Costs

Capital costs were determined by independent consultants, resulting in the following:

	A$ million
Site Services	3.0
Mobile Mining Equipment	14.0
Processing Plant	42.0
Other	6.0
Total	**65.0**
Capital cost per metric tonne unit WO_3 produced	A$38.00

Financial Model Input Assumptions

Pricing

Pricing for APT, Ammonium Paratungstate, the benchmark used to derive concentrate pricing, was based on the Argus Tungsten Annual 2018 report – published in October 2018.

That report forecasts APT prices based on three different scenarios, commencing January 2021 through to 2028. The Company selected the Base case with pricing between US$295 and US$310/mtu.

A$/US$ Exchange Rate

All revenues will be US$ denominated so fluctuations in the exchange rates will have significant impacts on the ultimate returns. In this analysis, the exchange rate has been kept constant at A$1.00 being equivalent to US$0.70.

Mining Costs

Xenith Consulting Pty Ltd, an independent mining consulting company, prepared various iterations of the eight-year open cut mine plan. This plan identified the timing and sequence of the overburden and ore to be mined per block over the entire period. The scheduled operations were then fully costed for equipment requirements and operating costs to achieve the requisite production costs.

Processing Costs

Gekko Systems Pty Ltd ("Gekko"), an independent process engineering company was engaged to design a processing plant based on a flowsheet developed by ALS Laboratories in Burnie. Gekko completed the design and costing of the processing plant to a Level 3 accuracy, meaning that the capital costs are within a 10% level of accuracy. In addition, Gekko also completed a detailed exercise to project the operating costs, including manpower costs, for the duration of the proposed mining and processing operation.

Other Costs and Royalties

The other costs which account for a small percentage of total costs were derived by KIS consultants and own staff.

Royalties are a function of agreements the Company has with different parties and are largely a function of the anticipated revenue.

Offtake Agreements

The Company recently signed an offtake agreement with a world leading European tungsten powder provider Wolfram Bergbau und Hutten AG for 140,000 mtu of WO_3 over 4 years (See KIS ASX announcement: 8 April 2019). The Company is also in negotiations with various additional offtake partners.

Project Funding

The Company is currently exploring possible joint venture partnerships as well as being in discussions with suppliers and financial institutions for project funding.[1]

Development Timeline

On the basis of the relatively advanced engineering studies and the proposed methodology based on a modular design, the engineering consultants have determined that detailed design, procurement, construction and commissioning could be achieved within a fifteen-month period after financial close.[3]

Most of the important mobile equipment has a lead time of approximately six to nine months.

Given the above, the Company is confident that once financial close has been reached, commissioning of the mine and processing plant can be achieved within fifteen months. Thus, if financial close can be achieved in the second half of 2019 then first shipment of product can be achieved in the first quarter of 2021.[3]

[3] Refer to Annexure A page 7.

Forward Looking Statements

This announcement contains certain forward-looking statements. Forward looking statements are only predictions and are subject to risks, uncertainties and assumptions which are outside of the control of King Island Scheelite Limited (KIS). These risks, uncertainties and assumptions include commodity prices, currency fluctuations, economic and financial market conditions, environmental risks and legislative, fiscal or regulatory developments, political risks, project delay, approvals and cost estimates. Actual values, results or events may be materially different to those contained in this announcement. Given these uncertainties, readers are cautioned not to place reliance on forward looking statements. Any forward-looking statements in this announcement reflect the views of KIS only at the date of this announcement. Subject to any continuing obligations under applicable laws and ASX Listing Rules, KIS does not undertake any obligation to update or revise any information or any of the forward-looking statements in this announcement to reflect changes in events, conditions or circumstances on which any forward-looking statements is based.

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Annexure A of 51 pages to King Island Scheelite Limited (ASX: KIS) market announcement dated 3 June 2019 and titled “Redevelopment of Dolphin Open-Cut Project – Completion of Feasibility Study and Development Timeline”.

KING ISLAND SCHEELITE LIMITED

DOLPHIN MINE

FEASIBILITY STUDY AND

REVISED MINERAL RESERVE ESTIMATE

MAY 2019

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1. EXECUTIVE SUMMARY

King Island Scheelite Limited ("KIS") holds mining and exploration tenure over the historic Dolphin and Bold Head Scheelite Mines and the highly prospective EL19/2001 near Grassy, southeast King Island (Figure 1). KIS propose to redevelop the King Island Scheelite Project (the "Project") centered on the Historic Dolphin Mine and surrounding prospects.

This Feasibility Study ("FS") and revised Ore Reserve Estimation has been undertaken in compliance with the requirements of the reporting guidelines of the 2012 Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia, (the JORC Code 2012) which are aligned to the Committee for Mineral Reserves International Reporting Standards Definitions (the CRIRSCO Standard).

The project requires the construction of a gravity process plant, supplemented by a small flotation process plant, on the mine lease and establishment of mine infrastructure. The Dolphin open cut ("OC") will extend the existing pit eastward to a depth of -140mRL, accessing remnant ore from the historic underground operation. This FS and revised Ore Reserve Estimation includes technical studies completed since the September 2015 Reserve Estimation was released *(ASX:KIS 21 September 2015)*.

At a 0.2% WO_3 cut off, the Dolphin OC contains a total of 3.00Mt of Probable Reserves at an average grade of 0.73% WO_3 classified according to the guidelines of the 2012 edition of the JORC Code. Run of Mine (ROM) strip ratio is 9.8 t/t.[1]

The Dolphin orebody OC pit design was revised within recommended constraints from a recent geotechnical evaluation. The physical revisions to the Reserve Estimation are not considered to be materially different to the 2015 estimation, resulting in only a 5% decrease in available WO_3 metal with no appreciable change in stripping ratio.

The production schedule and mining equipment requirements have been revised from the previous estimate. The Dolphin OC is planned to mine and process approximately 400ktpa of ore for eight years to produce approximately 27,300t of WO_3 concentrate (3,500t per year). This concentrate will be sold into a market with strongly growing demand and constrained supply.[2]

The Dolphin processing plant has been substantially modified since the 2015 Reserve Estimation and further site infrastructure engineering has been completed resulting in significant capital and operating cost savings from the previous estimation.

A summary of key outcomes from the FS and Revised Resource Estimation are outlined in Table 1. The FS suggests the Project is most sensitive to fluctuations in APT price, exchange rate and plant recoveries.

[1] Refer to Competent Person Statement p29
[2] Refer to Forward Looking Statements p29

Figure 1. Project Location

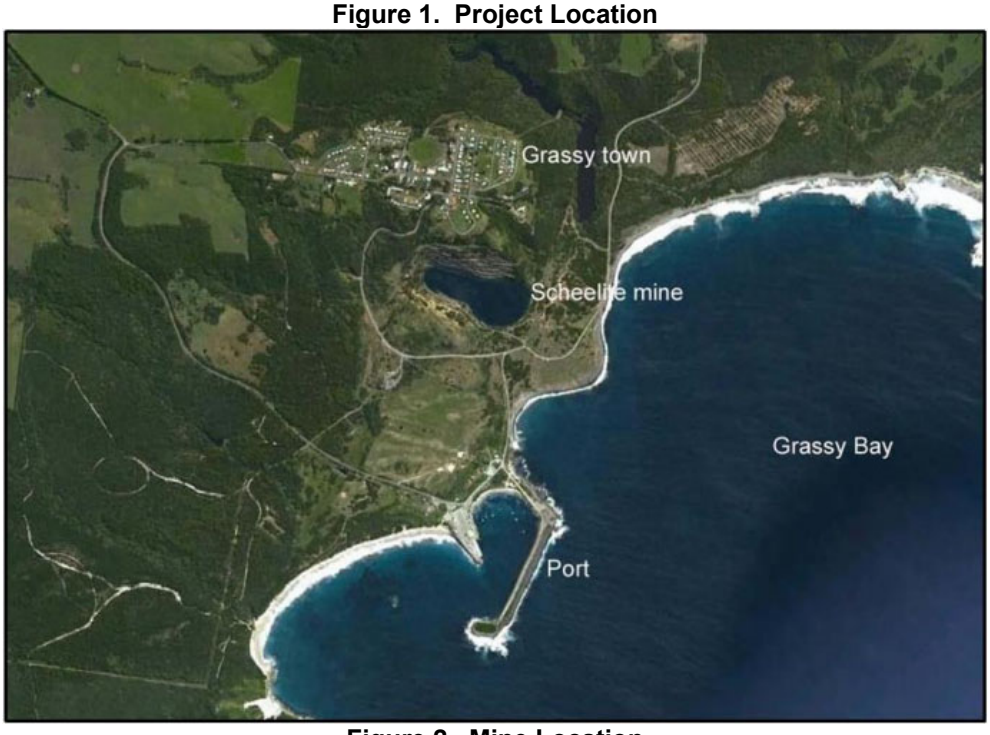

Figure 2. Mine Location

Table 1. 2019 Feasibility Study Summary of Key Outcomes

Item	Units	2019 Feasibility Study
Project Life	Years	8
Total Ore (contained)[1]	3.00Mt @ 0.73% WO_3, 2.20Mmtu	
Tungsten Revenue		
APT Price (average)	US$	US$300
Mtu Sold	Mmtu	1.69
Revenue	A$M	548.2
Pre-Production Capital		
Mining	A$M	14.3
Processing Plant	A$M	42.0
Other	A$M	8.7
Total	A$M	65
Operating Costs		
Mining	A$M	-77.5
Processing	A$M	-84.8
Shipping	A$M	-5.5
Admin	A$M	-9.7
Royalties	A$M	-40.1
Total	A$M	-217.6
EBITDA	A$M	330.6
Pre Tax NPV $_{8\%}$	A$M	146.4
Pre Tax IRR	%	46.7
Payback Period	years	2.75
Production Cost Metrics		
Opex/mtu	$Mtu	129
Capex/mtu	$Mtu	38
Opex/t ore processed	$/t	73
Capex/t ore processed	$/t	22

1. The Ore Reserves underpinning the above production target have been prepared by a Competent Person in accordance with the requirements of the JORC (2012) Code. Refer to JORC tables, qualifications and Competent Persons Statements page 29.
2. All figures are presented in nominal Australian dollars unless otherwise specified. All cashflows are quoted pre-tax unless noted. This applies to the entire document.
3. Pre-development expenditure prior commencement of construction is excluded from pre-production capital.
4. Pre-production mining costs are calculated up to first ore processed.
5. Payback period is calculated from the month of first concentrate production.
6. Cash Cost includes all mining, haulage, processing, royalties, shipping and site administration costs.
7. Includes only the Dolphin OC design of the May 2019 FS
8. Rounding errors may occur
9. See Forward Looking and Cautionary Statements, page 29 and 30.

2. STUDY OVERVIEW

This (FS) details redevelopment of the Dolphin OC mine and construction of a comminution-gravity-flotation scheelite processing facility on site, Grassy, King Island. A summary of the main project parameters includes:

- Owner operated mining in expanded Dolphin OC
- Drill-blast-load-haul mining operation
- Overburden placed in Grassy Bay adjacent to OC
- 8 year operation producing 1.7M mtu of WO_3 in concentrate
- Reserves of 3.0 Mt at average grade of 0.73% at a 0.20% cut off
- Striping ration of 1 to 9.8t/t
- Site based 400ktpa gravity-flotation processing plant
- 15 month construction period with production schedules to start in 12 months
- Two discrete concentrates, gravity 65% WO_3 and flotation 30-45%WO_3 after dressing at a combined 77% recovery.
- KIS owns land on which mine site and tailings dam are situated
- Mining lease granted valid to June 2029,
- Exploration lease current to December 2020 with options for concurrent 2 year term of extensions
- Main environmental approvals in place (EPN and Development Permit)
- Existing TSF modified and utilised for tailings storage
- Power generated on site using diesel generator sets with some Hydro Tasmania input

The FS has been compiled by KIS and supported by the following consultants:

- Resource and Exploration Geology – Resource and reserve estimation
- Xenith Consulting – Mine planning and cost estimation
- PSM – Geotechnical assessment, tailings storage facility, membrane wall
- ALS – Metallurgical test work
- Asther – Metallurgical test work, plant design and cost estimation
- Gekko – Plant design and cost estimation
- e^3 planning – Environmental surveys and permitting application
- Bill Meynink – Tailings storage facility
- GHD – Tailings storage facility
- BR Design – Site Infrastructure design and cost estimation
- SEMF- Waste rock assessment
- Pit and Sherry – Waste rock disposal study
- Consulting Environmental Engineers – Coastal process study
- Ernst Friedlander – Membrane wall design
- ARGUS – Marketing and financial analysis
- Brendan Walpole – Financial model

The current site consists of the dewatered historic Dolphin open cut and underground mine, tailings storage facility and offshore overburden dump. The town of Grassy is located 1km north of the mine and the Grassy port 1km south of the mine.

Site works will require the construction of the processing facility, tailings storage facility, and other site infrastructure scheduled to take 15 months to construct prior to the commencement of production.

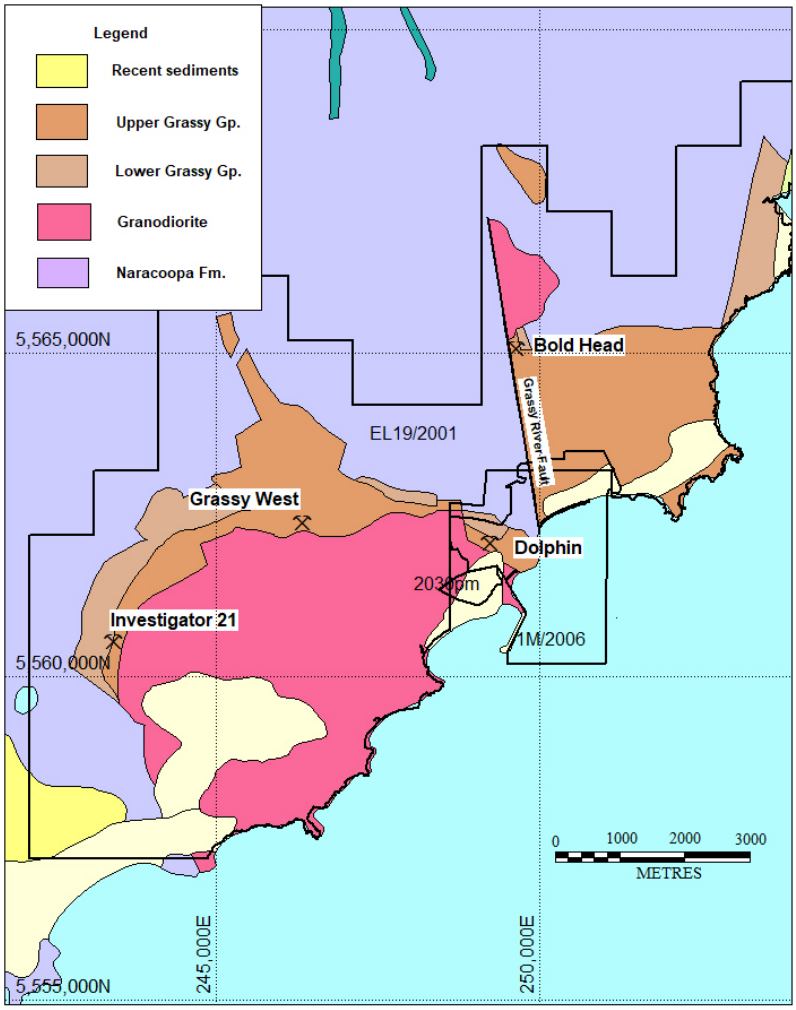

Figure 3. Project Tenure

Figure 4. KIS Dolphin Project Proposed Mine Layout.

3. TENURE, ENVIRONMENT, COMMUNITY AND APPROVALS

The Project is located on granted Mining lease 1/M2006. KIS also hold an Exploration License EL19/2001 covering prospective ground on the periphery of the grassy granite, including the historic Bold Head Mine and several advanced exploration projects including Investigator 21 (ASX:KIS April 2018). A Mining Lease Application 2030P/M for freehold land owned by Australian Tungsten Pty Ltd, a wholly owned subsidiary of KIS, has been submitted to MRT and is currently undergoing assessment.

The current Permitting Approval DA26 05/06 to reopen of the mine, was received from King Island Council and the Tasmanian Environment Protection Authority (EPA) on the 22nd of May 2009. This approval provided for the development of an expanded open pit, tailing storage facility, processing plant and reclamation of Grassy Bay for waste disposal at the Dolphin mine site and remains the overarching permit today.

A revised assessment report detailing the current OC mining operations was completed and submitted to the EPA for its review, during the December 2016 quarter. The EPA approved the amended mining operations and issued an Environmental Protection Notice 7442/2 (EPN), on 2 October 2017. The EPN contains all environmental conditions which must be met prior, during and following mining operations.

All relevant approvals for proposed mining operations have now been obtained. Prior to commencement of construction, detailed operating plans must be submitted to various authorities.

KIS has been in ongoing discussion with the EPA and King Island Council to explain the potential impact the mining operations might have upon the local community and the environment. KIS has also held community consultation evenings at Grassy to answer questions from the public. A recent local employment expression of interest was well received. King Island Council have advised KIS that the amended mining operations would not trigger any requirement for a further development application to be lodged.

4. GEOLOGY AND RESOURCES

Scheelite skarn mineralisation has formed within the metamorphic aureole of the Carboniferous Grassy Granite where it is in proximity to the calcareous sediments and carbonates of the Lower Grassy Group. The Dolphin and Bold Head deposits are hosted in a similar stratigraphic sequence.

Mineralisation is hosted within a 100-200m thick sequence of complex skarn mineralogy with two main horizons known as B and C Lens both of 10-30m thickness separated by a similar thickness of skarn altered volcanic sediments. Skarn formation and mineralisation have occurred where carbonates come into direct contact with the intrusion, or adjacent to brittle faults intersecting the intrusion. Mineralisation in the Dolphin deposit is best developed within C Lens which has several distinct mineralogical components including a garnet hornfels, a pyroxene-garnet hornfels and banded pyroxene-garnet hornfels. B Lens is an upper dolomite horizon which has been variably hornfelsed and metasomatised with sporadic mineralised pyroxene-garnet skarn.

The Dolphin deposit dips east to southeast at approximately 30° before steepening to 50° in proximity of the Decline Fault on the eastern margin of the deposit. The host stratigraphy is broadly folded by several southeast dipping open anticlines or vergence folds with wavelengths of a few tens of metres. Several major southeast- and east trending normal faults associated with the folding cut the orebody into discreet fault blocks. The Northern Boundary Fault truncates the mine sequence to north juxtaposing the Lower Grassy Group against the Fraser Formation quartzite. The Mine Sequence is truncated to the south by the granite, the surface of which dips and plunges shallowly north and east.

The Dolphin mineral resource estimation has been derived from a kriged block model derived solely from diamond drill holes. Wire-framed solid models of geological and mineralisation domains were created from 20m spaced north-south cross sections utilizing drill hole data and historic geological sections.

The Dolphin Mineral Resource was estimated in 2015 and has previously been publicly released (*ASX:KIS 15 April 2015*). The total estimated remnant Mineral Resource for the Dolphin Mine at a 0.2% WO_3 cut-off, classified as Indicated Resource in accordance with the 2012 edition of the JORC Code is shown in Table 2.

Table 2. Dolphin Project JORC Indicated Mineral Resources (April 2015)

0.2% WO_3 Cut Off		
Mt	% WO_3	Tonnes WO_3
9.6	0.9	86,400

5. MINING

5.1. Introduction

An earlier open cut mining reserve estimation of the Dolphin deposit was completed by Xenith (*ASX:KIS September 2015*). This Feasibility Study is essentially based on the 2015 reserve with a few minor modifications and refinements.

The study proposes an 8 year Open Cut Mine of the Dolphin deposit. The OC will employ conventional drill-blast-load-haul-dump OC mining with material movement by hydraulic excavator and trucks. It is proposed that all mining activities, technical services comprising mine planning, production scheduling, grade control, surveying will be undertaken by KIS.

This Feasibility Study is based on the 2015 Dolphin Mineral Resource Estimate. Ore reserves for the Dolphin Deposit were initially estimated by mining Consultants Xenith in September 2015. Minor modifications to the 2015 Mineral Reserve Estimate have been made during the current FS, none of which are considered to result in a material variance from the original estimate. Physical modifications have resulted in a 5% decrease in Ore Reserves from 3.1Mt @ 0.73% WO_3 to 3.0Mt @ 0.73% WO_3. Physical constraints, cut offs and mine design remain essentially the same with the most

significant changes to the 2015 estimate being to some of the modifying factors including:

- Lower inter ramp angle on the eastern and north-eastern pit walls
- Minor reduction in throughput rate
- Slightly increased stripping ratio 9.8t/t v 9.7t/t
- Modifications to the capital, revenue assumptions and operating costs associated with the mine, processing plant and site infrastructure.

5.2. Geotechnical

Numerous geotechnical studies of the Dolphin Deposit have been completed since 2006 including consultants, Kevin Rosengren and Associates, Coffey Mining and most recently PSM. Additional studies into a cut off membrane in the marine sand layer were completed by GHD, PSM and most recently Ernst Friedlander.

PSM geotechnical modelling generally supports the 2007 Coffey recommendations, including the Coffey 2007 geotechnical domains (Figure 5). Preliminary pit wall design parameters (Table 3) have been based primarily on rock mass qualities within geotechnical domains divided by major fault structures and pit wall orientations relative to mapped joint and fault structures.

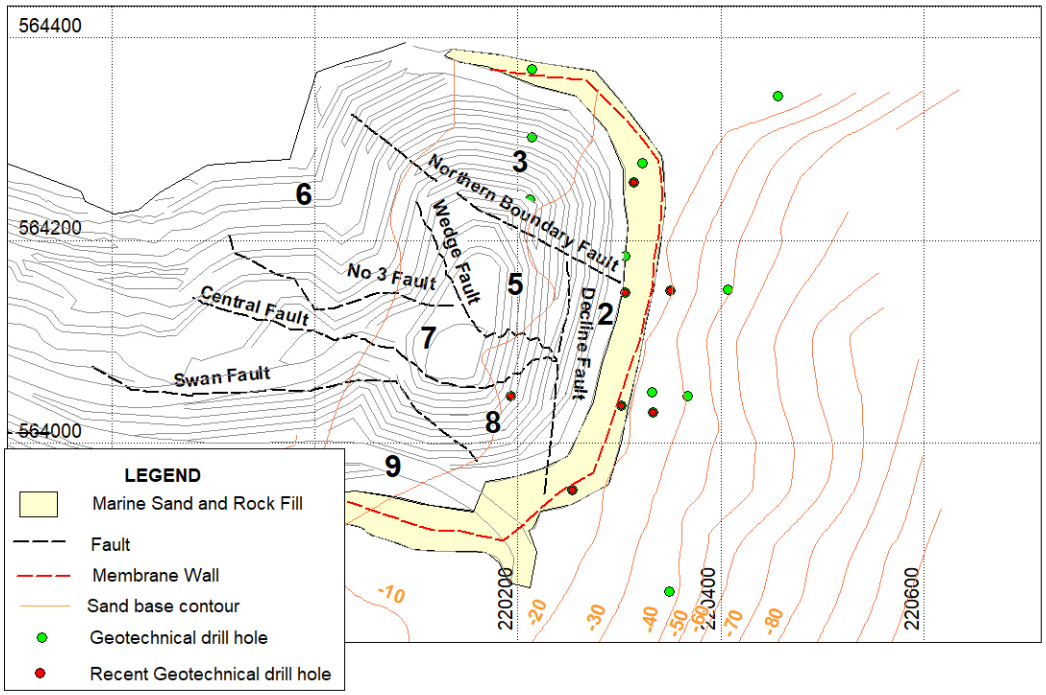

Figure 5. Proposed pit, geotechnical domains, membrane wall location.

5.3. Open Cut Design

The Dolphin OC design was completed by Tim Callaghan (REG) and refined by Xenith using Surpac software. OC design was constrained by geotechnical domains, the existing OC morphology and a -20m RL contour of the base of offshore marine sand. A block cut off grade of 0.2% WO3 was used to define the ore boundaries within the base and western limit of the existing open pit.

Table 3. Dolphin Pit Design Parameters

Geotechnical Domain	Bench face angle	Height	Berm width	Inter ramp angle
1	30	variable to 20m	15 sand-rock	30
2	50	10m	5m	37
3	50	10m	5m	37
5	6070	20m	7m	47/54
6	50	20m	7m	40
7	50/70	20m	7m	40/54
8	60/70	20m	7m	47/54
9	60/70	20m	7m	47/54

The Dolphin OC design was completed by Tim Callaghan (REG) and refined by Xenith using Surpac software. OC design was constrained by geotechnical domains, the existing OC morphology and a -20m RL contour of the base of offshore marine sand. A block cut off grade of 0.2% WO_3 was used to define the ore boundaries within the base and western limit of the existing open pit.

Xenith employed a Whittle optimiser utilising Lerchs-Grossmann algorithm to verify the economics of the pit limit. The outcomes of this exercise proved the pit limits determined by the physical constraints lay well within the optimum pit extents determined by the optimiser.

From the mine design, a production and dump schedule has been produced which formed the basis of an economic model. Mining factors (see Section 5.8 below) were applied to convert the in-situ tonnage and graded to a ROM tonnages and grade. The ROM Ore then formed the basis for classification as Open Cut Ore Reserves, once other modifying factors were applied.

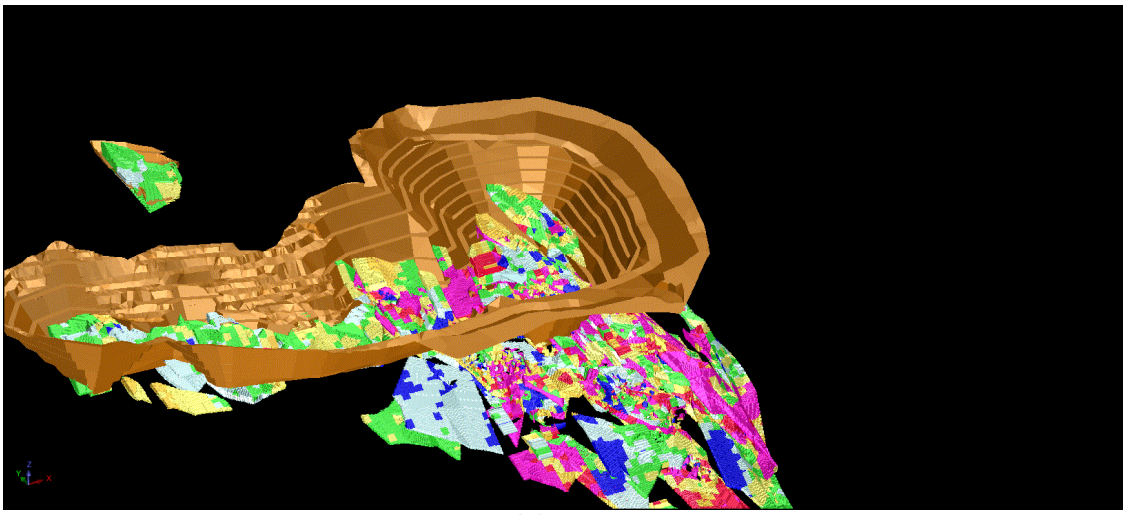

Figure 6. Dolphin Deposit and proposed OC orthogonal Image, looking NE

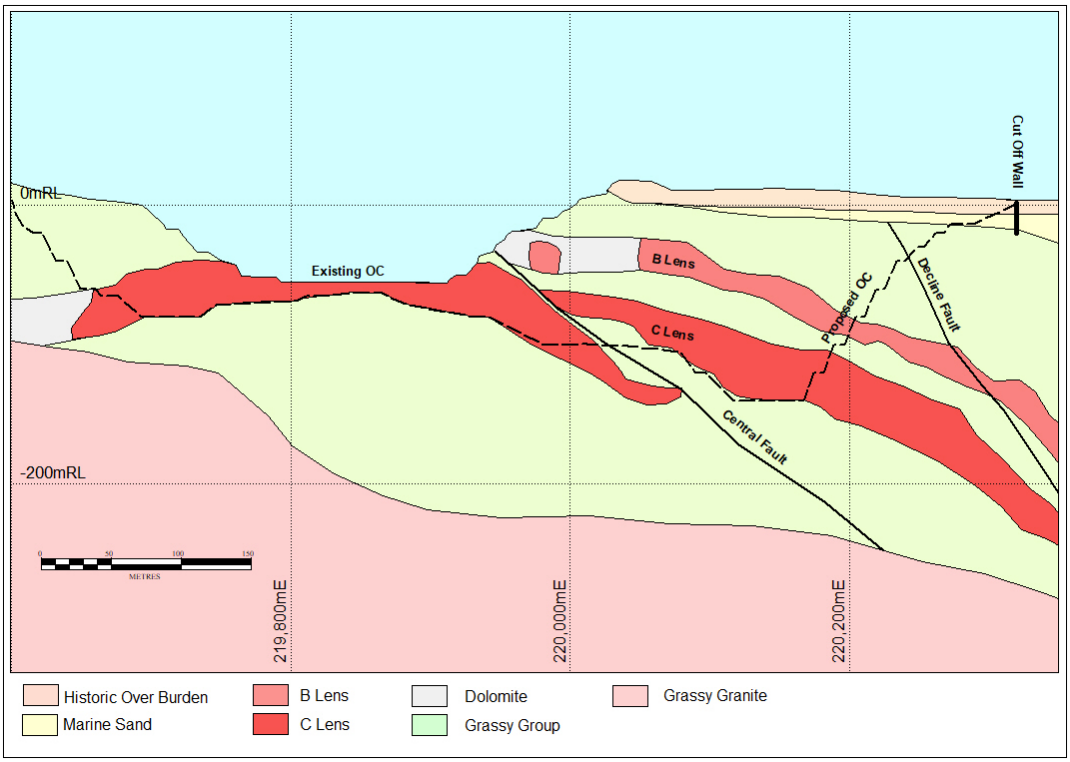

Figure 7. Section 546100N, Dolphin OC and mineralisation.

5.4. Drill and Blast

The majority of the waste and ore will require drilled and blasting; the exception to this being old fill and marine sand material. Blasts will be engineered to ensure minimum displacement of the ore to minimise dilution and ore loss. Drilling will be carried out by

top hammer rigs with blast hole diameters from 102 mm to 127 mm. The following are the key drill and blast assumptions:

- Atlas Copco D65 blast hole rig
- Powder factor for waste 0.75kg/m^3
- Powder factor for ore 0.8kg/m^3
- Explosives: ANFO $950/t dhd Emulsion$1200/t dhd
- Drilling $8/lin.m

5.5. Load, Haul and Ancillary Equipment

Truck and excavator mining is the most flexible mining method and is well suited to the mining operations of the Dolphin Project. Waste and ore material will be blasted and removed in thin working benches of 2.5 m. Both waste and ore will be loaded using one 140t CAT6015B backhoe excavator, one 50t CAT Excavator and hauled using 3 CAT775G dump trucks to the waste dump or ROM respectively. An ancillary fleet of 1 CAT D10 bulldozer, 1 CAT D9 bulldozer, 1 CAT grader, CAT 996FE Loader, 10,000l water truck, 5000l Isuzu utility truck and lighting plants to match the production schedule and fleet has also been selected.

Additional contract mining equipment will be required in years 2 and 3 of the operation during peak waste movement. KIS plan to employ contract mining companies to provide a 180t PC1800 hydraulic backhoe excavator and up to an additional 5 CAT 775G trucks.

5.6. Offshore Overburden Stockpile

The 2009 Development Approval provided for the development of an expanded open pit, tailing storage facility, processing plant and reclamation of Grassy Bay at the Dolphin mine site. GHD prepared an initial report on the construction of the waste storage facility in Grassy Bay as part of the 2007 open cut feasibility study. A revised offshore waste placement study was completed by Pitt and Sherry in 2016 and was submitted to the EPA as part of the Amended Mine Plan. The design concept was approved by the EPA in Environmental Protection Notice 7442/2 (the EPN), granted on 2 October 2017.

The 2019 plan provides for an off-shore dump containing approximately 10.2 Mbcm of waste rock. The overburden reclamation area involves a two-stage construction plan. Stage 1 involves the establishment of the cutoff seawall and commencement of mining operations. Mining operation is required to generate overburden required for civil construction including Stage 1 and 2 of the offshore reclamation. Stage 2 is the establishment of the final overburden dump.

The construction plan has been designed to minimize erosion and potential turbidity by creating an armored seawall on the exposed southeastern wall designed to protect the emplacement area from the prevailing swell direction. The majority of the overburden will be placed in an area of a low energy ocean processes behind the seawall.

5.7. Water Ingress Membrane Wall

The Dolphin Pit Design extends seaward into the historic reclamation area. The top 25m is developed in historic overburden and marine sands, with the pit crest constrained by the -20m base of marine sand contour. In order to manage the potential seepage or water ingress in the permeable sediments, KIS engaged PSM and geotechnical consultant Ernst Friedlander to carry out a detailed design and costing of a seawall membrane that will exist between the pit crest and the ocean. The location of the final membrane wall is shown in Figure 5. The membrane wall consists of a trench dug from the surface through the old waste rock and sand and into fresh rock. The trench is filled with a slurry mix creating an impermeable barrier between the shoreline and the pit. The slurry is a mix of bentonite (or attapulgite) and/or cement. Wall construction below -12m RL requires a cement-bentonite mixture to be injected into the marine sand in bore holes. Cost estimation of the final and intermediate membrane wall is divided between capital and operating cost in the financial model.

5.8. Mining Loss and Dilution

The in-situ ore was modified in order to simulate the effects mining has upon ore recovery and dilution. The mining factors applied to the Mineral Resource model for deriving Ore Reserves were selected based on Open Cut Mining by hydraulic excavator in backhoe configuration loading trucks. Selective mining and grade control is intended to maximise recovery and minimise dilution.

A mining loss of 15 cm and dilution of 15 cm was applied along any block edge within the geological model that was immediately adjacent a waste block. Loss and dilution has been applied by looking at all blocks surrounding an individual ore block (east, west, south, north, top, and bottom). If any ore block face was adjacent to a waste block then the loss and dilution has been applied to those block faces.

5.9. Mining Schedule

The production schedule for the Dolphin Open Cut Mine is based on the following assumptions:

- Plant feed 400ktpa
- Head Grade 0.73% WO_3
- Pre-strip commences year 1

Schedule summary is presented in Table 4.

Table 4. Mine Schedule Summary

Item	Unit	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Total
Ore Mined	kt	312	404	402	409	406	406	432	224	2995
Waste Mined	kt	2,633	8,116	6,729	3,818	3,496	2,255	1,979	458	29,484
Ore Grade	WO3 %	0.49	0.64	0.93	0.63	0.55	0.74	1.02	0.86	0.73
Strip Ratio	tonne/tonne	8.4	20.1	16.7	9.3	8.6	5.6	4.6	2.0	9.8
In-situ tungsten	mtu WO_3	153,060	260,489	373,977	257,391	222,372	301,367	439,859	192,758	2,201,273

The life of mine strip ratio is 1:9.8 t/t.

5.10. Revised Ore Reserve Statement

The revised Dolphin Ore Reserve estimate shown in Table 5 has been compiled by Independent Mining Consultant – Tim Callaghan[3] (Member AusIMM) in accordance with the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (JORC Code 2012 Edition). The Ore Reserves are based on the Mineral Resource Model estimated and reported by Resource and Exploration Geology in September 2015.

Table 5. Dolphin Ore Reserve above 0.2% WO_3 Cutoff

Classification	Mtonnes	WO_3%
Probable Reserve	3.00	0.73

The breakeven cut-off grade used in the estimation of the Dolphin Ore Reserves is 0.2 % WO_3. Under the JORC Code only Measured and Indicated Mineral Resources may be considered for conversion to Ore Reserves after consideration of the "Modifying Factors" including mining, metallurgical, economic, marketing, legal, environmental, social and governmental considerations. A summary of modifying factors are listed in JORC Table 1, Section 4, Estimation and Reporting of Ore Reserves in the appendices of this report.

The grades and metal stated in the Ore Reserves Estimate include mining recovery and dilution estimates. The Ore Reserve Estimate is reported within the revised open pit designs prepared as part of this study only. The Probable Ore Reserve Estimate is based on Mineral Resource's classified as Indicated Resource after consideration of all mining, metallurgical, social, environmental and financial aspects of the operation. The difference between the 2019 reserve estimation and the 2015 estimation (Probable Ore Reserve 3.14Mt @ 0.73% WO_3,) is not considered to be material following the more conservative pit design.

6. METALLURGY AND PROCESS PLANT

6.1. Ore Characteristics

B and C lens of the Dolphin orebody comprise four main ore types including:

[3] Refer to JORC tables, Qualifications and Competent Persons Statements in the appendices of this report.

- B Lens – pyroxene garnet skarn with sparse coarse scheelite veins and crystals comprising 22% of the minable resource in the OC.

- C Lens - banded garnet-pyroxene-biotite-calcite footwall beds comprising 54% of the resource, pyroxene-garnet skarn 15% and garnet skarn 9%.

The four categories possess different physical characteristics and exhibit slightly varied metallurgical performances. Both variability and blended composites have been provided -for metallurgical test work.

Table 6. Dolphin Ore Physical Characteristics

Measurement	Units	BLens		CLens	
		HG Comp	Avg Comp	HG Comp	Avg Comp
-UCS	Mpa	83.5, 76.5	41.3, 60.1	80.0, 59.1	132.0, 68.4
Abrasion Index		-	0.0687	-	0.1858
Crushing Work Index (76+51mm)	Range kWh/t	-	9.5 – 23.3	-	8.2 – 25.2
	Avg. kWh/t	-	15.9	-	13.5
	80^{th} pct kWh/t	-	20.2	-	16.5
Rod Work Index	kWh/t	-	17.9	-	17.6
Bond Work Index	212um kWh/t	-	10.6	-	12.5
	P80 kWh/t	-	143	-	154
SG		2.82	2.75	3.00	2.74

Plant throughput is expected to average 60 tonnes per hour.

6.2. Metallurgy

The King Island tungsten mines and processing plant operated from 1917 through to 1990. Numerous reports have been published relating to the metrics of the historic operations, including plant flowsheets, product grades and recoveries. Historical data suggests that the percentage recovery of tungsten varied between high 60's to the low 70's.

KIS have conducted extensive laboratory test work over the last 15 years in an effort to improve recovery and reduce processing costs. Gravity separation has proved the most efficient with some improvements in recovery received from flotation of the gravity tail.

The current flow sheet has been designed to produce two discrete products, a gravity concentrate and a flotation concentrate. Test work suggests gravity grade is expected to be 65% WO_3 at 61.5% overall recovery of WO_3 units, while flotation concentrate grade is expected to be between 30 and 45% WO_3 after dressing at a recovery of up to 15.5%. These results are reflected in the overall processing plant predicted recovery of 77%. Further test work on dressing the flotation concentrate to cost effectively improve the grade is ongoing.

6.3. Process Description

The process flowsheet design includes two stage crushing, fine ore stockpile, fine vertical shaft impact crushing, gravity concentration, flotation of gravity tailings and dressing of flotation concentrate (Figure 8).

7. INFRASTRUCTURE AND SERVICES

Development of the site additional to mining and processing requirements will necessitate the design and construction of:

- Access road from Grassy Port
- Administration office, stores warehouse, change rooms and associated ablutions and sewage disposal system
- Raw water pumping station and pipeline
- Site storm water and water recycling storage and reticulation
- Heavy vehicle workshop and fuel storage
- Potable water supply
- Explosives storage
- Grid power infrastructure
- Diesel power plant and infrastructure
- Accommodation facilities

Site Layout, preliminary design and cost estimations for additional site infrastructure outside of the processing and mining operation has been completed by BR Design. Detailed planning is ongoing.

7.1. Power

Peak demand during the first 4 years of operation is estimated to be approximately 2.2MW. Usage per annum will be of the order of 14GWh. There is a small amount of grid power available from the local power provider (Hydro Tasmania) with the potential for increases with improved infrastructure. For this FS, KIS propose to lease 4 diesel powered generators on to provide base load power for the process plant and mine site. KIS are also investigating generating its own electricity using renewable energy sources.

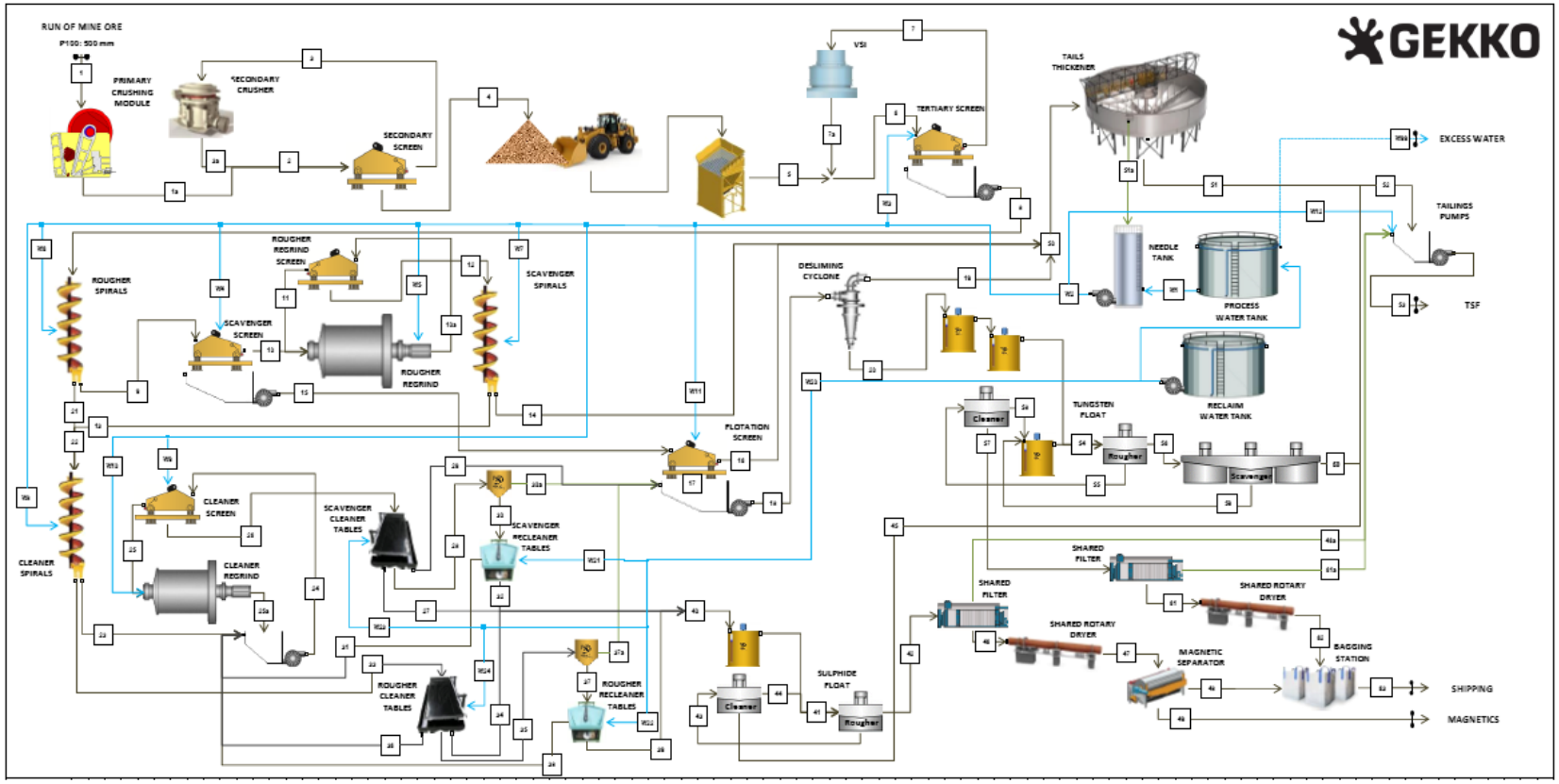

Figure 8: Simplified Process Flow Diagram

Figure 8. Process Flow Sheet

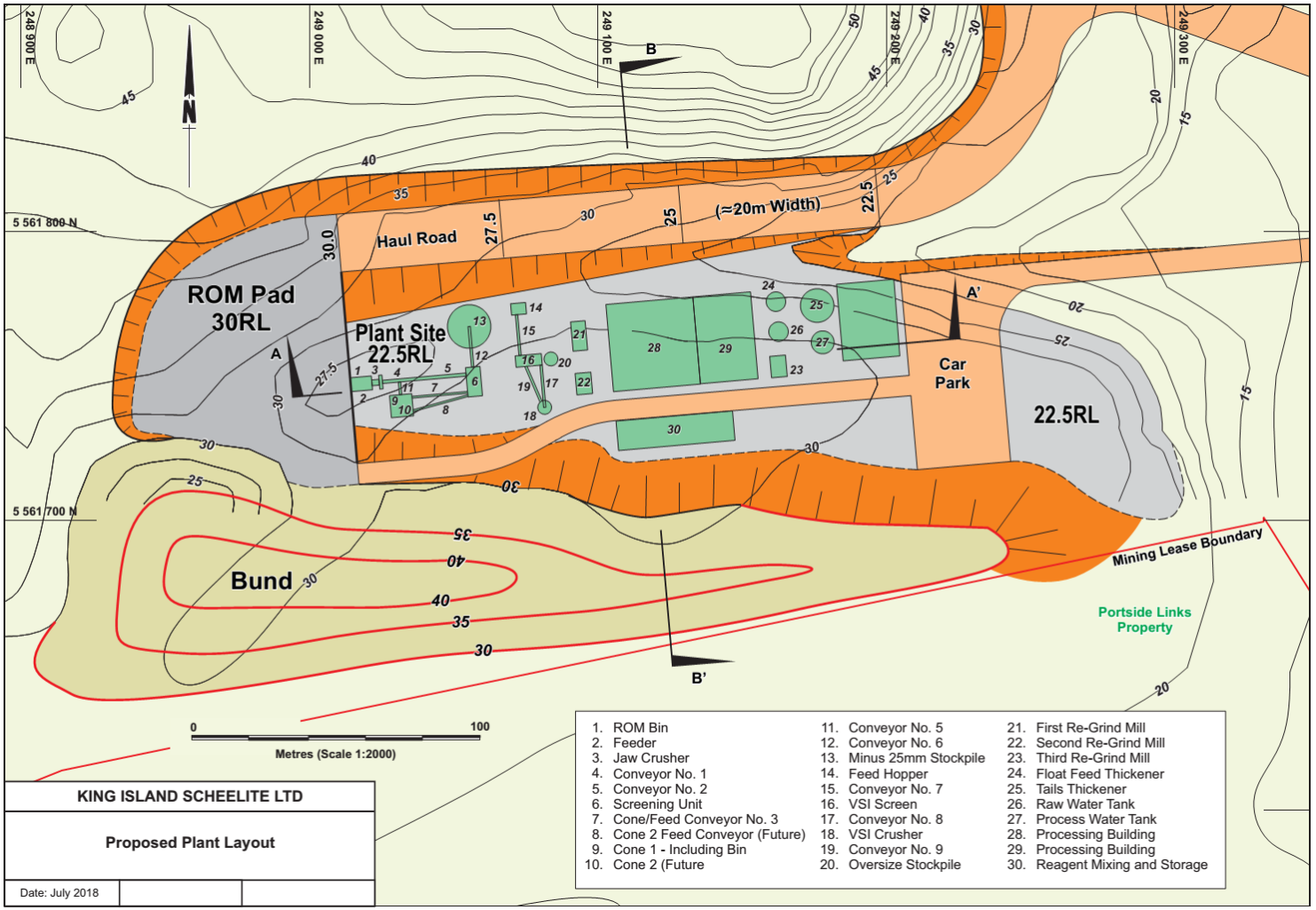

Figure 9. Process Plant Layout

7.2. Transport and equipment

The majority of the islands freight is delivered to Grassy Port. The port is managed by Tas Ports, a state-owned entity and is capable of hosting 5000t ships. King Island is currently serviced by two roll-on, roll-off shipping services. Average shipping costs for container and roll on roll off freight has been used for cost estimation in FS. KIS are currently exploring opportunities with the two existing and other potential operators.

7.3. Water

Raw water for the project will be drawn from the existing Lower Grassy Dam. Potable water will be drawn from the local scheme supply and stored in tanks for reticulation throughout the project. Process water, mine water and storm water will be captured and recycled. Waste water and sewage will be treated on site and discharged according to local water authority regulations.

8. PROJECT IMPLEMENTATION

To commence operation of the Project the following development activities will be undertaken:

- All relevant approvals for the operation of an open cut mine have been obtained. Prior to commencement of operations detailed operating plans must be submitted to council and a closure and rehabilitation plan to the EPA.
- Development and implementation of a site wide occupational health and safety management system to govern the operations.
- Development of HR policies and an organisational structure to support the operation.
- Processing facility construction – a scope has been prepared in the FS and a preferred contractor has been selected to conduct the work.
- Provision of office, accommodation facilities and associated infrastructure.
- Re-establishment of power supply and diesel generated power station.
- Execution of key reagent and consumables supply contracts to support the ore processing needs and provision of first fills.

Key personnel will be recruited at appropriate times and will provide project management supervision and support through development up to operational status. Pre-production capital and operational expenditure for the start-up of the project has been allowed for in the economic model

9. OPERATIONS

King Island Scheelite's aim to source as much of its workforce locally. Initially there will need to be a higher proportion of fly in fly out, but KIS is targeting moving to 75% local hire by year 3 of the operation. A core group of personnel with specific technical experience will be employed and assisted by persons hired by KIS for initial operations until the local workforce is sufficiently experienced.

10. COST ESTIMATION

Capital and operating costs are key inputs to the financial model supporting this FS and ore reserve update. Capital and operating costs have been provided by KIS and external consultants including but not limited to Gekko, Asther, Xenith, PSM and BR Design.

Mining fleet capital cost estimates were developed as an owner operator from 1st principles by Xenith. Mine operating cost have been derived from Xenith's cost model and database. Increased mine operating costs occur in years 2 and 3 where extra contract mining equipment will be required for peak waste movement.

Process plant capital cost estimation has been provided by Gekko with additions by Asther and BR Design for capital works outside of Gekko's scope. Tailings storage facility design and capital cost has been estimated by PSM with previous iterations by GHD and SEMF. Additional site infrastructure capital costs have been estimated by BR Design. Plant operating cost have been estimated by Gekko and Asther.

Capital and operating costs are considered to be appropriate for this style and of deposit and in line with similar sized operations in Australia.

A summary of capital and operating costs are listed in Tables 7 and 8. Both operating and capital cost are in line with, but slightly lower than those used for the 2015 Reserve Estimation.

Table 7. Key Capital Costs

Item	Value $M
Site Services	$2.8M
Mobile Mining Equipment Costs	$14.2M
Processing Plant	$42.1M
Tailings	$1.5M
Indirect (Staff Construction support)	$1.2M
Other	$3.0
Total	**$64.8M**

Table 8. Key Operating Costs

Item	Value $/mtu shipped	$/t ore processed
Mining cost	$46 mtu	$26/t
Processing cost	$50 mtu	$28/t
Shipping cost	$3 mtu	$2/t
Royalties	$24mtu	$13/t
Other	$6 mtu	$3/t
Total	**$129 mtu**	**$72/t**

11. FINANCIAL ANALYSIS

Based on the capital and operating cost estimates outlined, a financial model has been developed for the purpose of evaluating the economics of the Dolphin Project. The full model has the capability to assess the capital structure for the development of the Project. The model is designed to assist KIS and any providers of potential debt funding for their due diligence programs as well as other internal requirements. A summary of the yearly production, modelled cash flow and project metrics is listed in Table 9.

Pricing for APT was based on the Argus Tungsten Annual 2018 report – published in October 2018. Forecasts APT prices based on Base, High and Low scenarios, commencing January 2021 through to 2028, as follows:

Scenario	**Range**
Base	US$295 to US$310/mtu
High	US$345 to US$360/mtu
Low	US$245 to US$260/mtu

An average APT price of US$300/mtu has been used as the base case of this assessment. The exchange rate has been kept constant at A$1.00 to US$0.70.

Economic modelling for the KIS Dolphin Project provided the following key outcomes:

- Development capital of $64.8 million
- Production of 1.69 Mmtu of scheelite in concentrate over 8 years
- Total processing of 3.0 Mt at 0.73% WO_3 with an average recovery of 77%
- LOM Cash Cost of A$129/mtu produced,
- Project royalties total A$40.1M, comprising payments to the Tasmanian State Government and third party interests
- EBITDA of A$331 million
- Pre-Tax NPV applying an 8% discount rate (NPV8%) is $146 million with a Pre-tax Internal Rate of Return (IRR) of 46.7%;

The LOM cost of production for the ore processed is $72.1/t comprising:

- Mining Cost - $25.90/t;
- Processing Cost - $28.30/t
- Shipping Cost – $1.80/t
- Site Administration Cost - $3.30/t
- Royalty Cost - $ 13.40/t

All cashflows are quoted pre-tax. The Project is most sensitive to fluctuations in the APT price, metallurgical recovery and head grade (Figure 9).

Table 9. Yearly Production, Cash Flow and Project Metrics

Mining	Unit	Total	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Ore Mined	kt	2,995	312	404	402	409	406	406	432	224
Waste Mined	kt	29,484	2,633	8,116	6,729	3,818	3,496	2,255	1,979	458
Ore Grade	WO_3%	0.73%	0.00	0.64%	0.93%	0.63%	0.55%	0.74%	1.02%	0.86%
Strip Ratio	t/t	9.8	8.4	20.1	16.7	9.3	8.6	5.6	4.6	2.0
In-situ tungsten	mtu	2201273	153,060	260,489	373,977	257,391	222,372	301,367	439,859	192,758
Processing	**Unit**	**Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**
Ore Processed	Kt	2,995	200	433	453	433	399	415	430	233
Ore Grade	WO_3%	0.73%	0.59%	0.62%	0.85%	0.63%	0.55%	0.73%	1.01%	0.87%
Mtu Processed	Mtu	2,201,273	117,402	268,076	384,022	271,526	218,852	302,068	436,238	203,090
Gravity Recovery	%	61.5%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%	68.5%
Flotation Recovery	%	15.5%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%	45.0%
Gravity Conc	t	19,821	1,057	2,414	3,458	2,445	1,971	2,720	3,928	1,829
Float Conc	t	7,484	306	923	1,323	935	754	1,040	1,503	700
Gravity Conc	WO_3%	68%	68%	68%	68%	68%	68%	68%	68%	68%
Float Conc	WO_3%	45%	45%	45%	45%	45%	45%	45%	45%	45%
Mtu Gravity	Mtu	1,353,783	72,202	164,866	236,173	166,988	134,594	185,772	268,286	124,901
Mtu Float	Mtu	336,769	13,769	41,552	59,523	42,087	33,922	46,821	67,617	31,479
Mtu Total	Mtu	1,690,552	85,971	206,418	295,697	209,075	168,516	232,593	335,903	156,380
Cashflows	**Unit**	**Total**	**Year 1**	**Year 2**	**Year 3**	**Year 4**	**Year 5**	**Year 6**	**Year 7**	**Year 8**
APT Price	US$/t	300	295	312.5	310	302.5	295	295	295	295
Exchange Rate	Au$/t	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
Gravity Revenue	M$Au	450.6	24.6	56.9	79.1	54.9	44.5	61.1	88.1	41.4
Flotation Revenue	M$Au	97.6	4.1	12.4	17.3	12.1	9.8	13.4	19.4	9.0
Total Revenue	**M$Au**	**548.2**	**28.6**	**69.4**	**96.4**	**67.0**	**54.3**	**74.6**	**107.5**	**50.4**
Mining Costs	M$Au	-77.5	-7.1	-17.7	-15.6	-10.1	-9.6	-7.5	-7.1	-2.8
Processing costs	M$Au	-84.8	-6.9	-11.9	-12.3	-11.9	-11.2	-11.6	-11.9	-7.2
Shipping Costs	M$Au	-5.5	-0.3	-0.7	-1.0	-0.7	-0.5	-0.7	-1.1	-0.5
Admin costs	M$Au	-9.7	-1.5	-1.5	-1.3	-1.2	-1.2	-1.2	-1.2	-0.9
Royalties	M$Au	-40.1	-2.5	-6.1	-8.3	-4.6	-3.6	-5.1	-7.3	-2.7
Total Operating Cost	**M$Au**	**-217.6**	**-18.3**	**-37.8**	**-38.3**	**-28.5**	**-26.1**	**-26.1**	**-28.4**	**-14.1**
Pre Production Capital	**M$Au**	**-64.8**								
EBITDA	**M$Au**	**330.6**	**10.4**	**31.6**	**58.1**	**38.5**	**28.2**	**48.5**	**79.1**	**36.3**
Cum Cashflow	**M$Au**	**330.6**	**10.4**	**41.9**	**100.0**	**138.5**	**166.7**	**215.2**	**294.3**	**330.6**
Pre Tax NPV	**M$Au**	146.4								
Pre Tax IRR	**M$Au**	**46.7**								
Payback Period	**Years**	2.75								
Opex/mtu	**$Mtu**	-128.7								
Capex/mtu	**$Mtu**	-38.3								
Opex/t ore processed	**$/t**	-72.6								
Capex/t ore processed	**$/t**	-21.6								

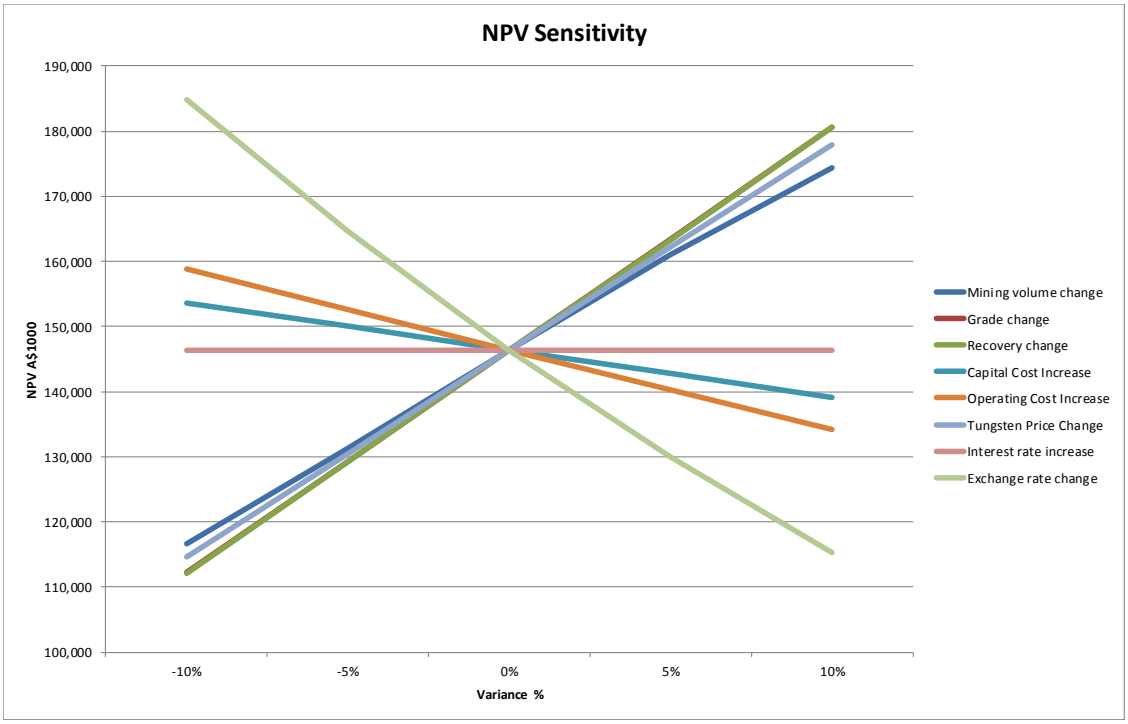

Figure 10. Sensitivity analysis chart.

12. OPPORTUNITY AND RISK

12.1. Opportunity

The project outlined in this FS is projected to deliver a positive return on investment. Further potential upside opportunities are outlined below:

- A Feasibility study into reopening the underground mine is required to investigate the opportunity of extending the life of the Dolphin mine beyond 8 year open cut.
- A feasibility study into reopening the satellite Bold Head mine has the possibility to provide an alternative ore source, ensuring throughput and extending the project life.
- Metallurgical test work on scheelite flotation is ongoing with the potential to improve currently projected recovery and concentrate grade.
- Studies into ore sorting technology has the potential to reduce operating costs.
- Investigations into renewable energy sources have the potential to further reduce operating cost.
- Exploration drilling has outlined several potential scheelite deposits in the district with reasonable expectation that further drilling and technical studies may result in additional economic material leading to a potentially increased mine life and profitability.
- With the process plant operating, exploration success can potentially be more directly and efficiently monetised in the future. The cash generated by the Project can partially be utilised to fund this exploration.

- The Project transitions KIS to a tungsten producer which may potentially correspond to an increase in company valuation.

12.2. Risk

Material risks contemplated along with mitigating circumstances are considered as follows:

- APT price risk – There is a risk of negative movement in the APT price compared to the study assumptions. To mitigate this risk the APT price used for cash flow modelling is at or below the average Ask price reported by ARGUS for the first quarter of 2019.
- Geological risk – There is a risk that the modelled ore tonnes and grade will not be realised during mining. Mitigating this risk, the geology and WO_3 distribution of the Dolphin deposits is well understood from closed spaced drilling and historic underground mapping and sampling. 100% of WO_3 at Dolphin is in the Probable Reserve category. Scheelite ores fluoresce under UV light assisting in pit and stockpile grade control. Predicted WO_3 grades are consistent with historic production.
- Geotechnical risk – There is a risk that the membrane wall and open cut design will require additional engineering and ground support beyond the expected outcomes of this study. Mitigating these risks, the pit has been modified to a more conservative design from the 2015 Reserve Estimation with no material change to the reserve.
- Metallurgical risk – There is a risk that modelled WO_3 recovery will be lower than anticipated. Extensive metallurgical test work and modelling together with historical performance has informed the assumptions used to generate costs and estimate throughput rates. Processing performance and WO_3 recoveries are well understood with the most recent test work results comparative to historical results.
- Operating Cost risk – There is a risk that operating costs will be higher than anticipated reducing free cash flow for debt servicing. The FS estimates were developed from reputable contractor tender rates, supplier and minor contractor quotes and cross referenced with similar projects by experienced independent consultants.
- Capital Cost risk – There is a risk that the capital cost to redevelop the Project will be exceeded. The construction of the process plant accounts for 64% of the capital cost (excluding contingency). The scope of work and price estimate are considered thorough and comparable to similar sized projects. Sensitivity analysis with 10% variance on capital has only a minor negative impact of less than $5m on the project NPV.
- Funding risk – The Company will be required to raise additional equity or debt capital to fund the redevelopment of the Project. For this purpose, the Company has embarked on numerous funding initiatives resulting in ongoing discussions with a number of parties, including investors, suppliers, and financial institutions, in relation to providing debt financing, and various forms of equity finance. In

addition, the Company is also exploring the formation of joint venture partnerships.

There are, however, no guarantees that these funding negotiations will result in securing appropriate funding, or funding on terms acceptable to the Company. If the Company is not able to obtain what the Company deems an appropriate level of financing, it may be required to reduce the scope of its operations and scale back its programs. This may adversely impact revenues and profitability. Mine Life risk – a mine life of 8 years is short. Previously defined resources and partially drilled opportunities exist within KIS tenements which require additional work to assess whether these can be readily brought into the mine plan.

ADDITIONAL NOTES

Forward Looking Statements

Some statements in this report regarding estimates or future events are forward looking statements. They include indications of, and guidance on, future earnings, cash flow, costs and financial 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, opinions and estimates included in this announcement are based on assumptions and contingencies which are subject to change without notice, as are statements about market and industry trends, which are based on interpretations of current market conditions. 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.

Statements regarding plans with respect to the Company’s mineral properties may contain forward looking statements in relation to future matters that can only be made where the Company has a reasonable basis for making those statements.

This announcement has been prepared in compliance with the JORC Code (2012) and the current ASX Listing Rules. The Company believes that it has a reasonable basis for making the forward looking statements in the announcement, including with respect to any production targets and financial estimates, based on the information contained in this and previous ASX announcements

Competent Persons’ Declarations

The information in this announcement that relates to ore reserves and feasibility studies is based on, and fairly represents, information and supporting documentation compiled by Mr. Tim Callaghan, an independent mining consultant working for Resource and Exploration. Mr. Callaghan 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. Callaghan has reviewed the contents of this news release and consents to the inclusion in this announcement of all technical statements based on their information in the form and context in which they appear.

Statement of Independence

Tim Callaghan has no material interest or entitlement in the securities or assets of King Island Scheelite Limited or any associated companies.

Cautionary Statement

The Ore Reserve estimate referred to in this announcement is based on a Probable Ore Reserve derived from Indicated Resources. No Inferred Resource material has been included in the estimation of Reserves. The Company advises that Probable Ore Reserves provides 100% of the total tonnage. There is no dependence on non-Ore Reserve material. No Inferred Mineral Resource material is included in the life of mine plan. King Island Scheelite has concluded it has reasonable basis for providing the forward-looking statements included in this announcement. The detailed reasons for that conclusion are outlined throughout this announcement and Material Assumptions are disclosed.

References in this announcement to the September 2015 Resource statement is a reference to the Company's ASX Announcement dated 24 April 2015. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of reporting of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which any Competent Person's findings are presented have not been materially modified from the original market announcement.

Previously Reported Information

This announcement includes information that relates to Mineral Resources, Mineral Reserves and Exploration Results which were prepared under JORC Code (2012). This information was included in the Company's previous announcements as follows:

ASX announcement dated 24 April 2015, Updated Resource Statement April 2015. King Island Scheelite Limited is not aware of any new information or data that materially affects the information included in the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

ASX announcement dated 21 September 2015, Updated Reserve Estimation, September 2015. King Island Scheelite Limited is not aware of any new information or data that materially affects the information included in the previous announcement, and all material assumptions and technical parameters underpinning mineral resource estimates in the previous announcement continue to apply and have not materially changed.

ASX announcement dated 23 April 2018, Dolphin Project Drilling Results, April 2018

JORC (2012) Table 1 report

Section 1Sampling Techniques and Data		
Criteria	**JORC Code Explanation**	**Commentary**
Sampling Techniques	• Nature and Quality of sampling (e.g. cut channels, random chips or specific specialized industry standard measurement tools appropriate to the minerals under investigation, such as downhole gamma sondes, or hand held XRF instruments etc). • Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used. • Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1m samples from which 3kg was pulverized to produce 30g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or sampling types (e.g. submarine nodules) may warrant disclosure of detailed information.	• The Dolphin Scheelite Skarn has been sampled through numerous historic underground and surface diamond drilling campaigns between 1947 and 1989 by the previous mine operators. • Recent diamond drilling campaigns were completed by KIS in 2005, 2006, 2011, 2013 and 2014. • 636 historic diamond drill holes for 56,667.8m • 113 recent drillholes for 9,975.8m. • Approximately 3 ft or 1m samples of 1-3kg were taken from diamond saw cut drill core whilst respecting geological boundaries.
Drilling Techniques	• Drill type (e.g. core, reverse circulation, open hole hammer, rotary air blast, auger, bangka, sonic etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face sampling bit or other type, where core is oriented and if so by what method	• Generally NQ diamond core for surface drillholes and BQ or BQ equivalent for underground drill holes. • Core not oriented.

Criteria	JORC Code Explanation	Commentary
Sample recovery	• Method of recording and assessing core and chip sample recoveries and results assessed. • Measures taken to maximize sample recovery and ensure representative nature of the samples. • Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred.	• Core reconstituted, marked up and measured for recovery in all drilling campaigns • Generally excellent (95-100%) • No relationship between recovery and grade was observed
Logging	• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. • Whether logging is qualitative of quantitative in nature. Core (or costean, channel etc) photography.	• Historic core geologically logged onto typed paper logs. • Recent core geologically logged onto excel spreadsheets by experienced geologists. • Standard lithology codes used for interpretation. • RQD and recoveries logged • Historic and recent logs loaded into excel spreadsheets and uploaded into access database.
Sub-Sample techniques and sample preparation	• If core, whether cut or sawn and whether quarter of half taken. • If non core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry • For all sample types, the nature, quality and appropriateness of the sample preparation technique. • Quality control procedures adopted for all sub sampling stages to maximize representivity of samples. • Measures taken to ensure that the sampling is representative of the insitu material collected, including for instance results of field duplicate/second half sampling. • Whether sample sizes are appropriate to the grain size of the material being sampled	• No record of historic sample preparation • Half core split by diamond saw on 0.5 – 1.0m samples while respecting geological contacts. • Bagged core delivered to commercial Laboratories in Burnie (BRL, AMMTECH, ALS) • Half core crushed to 80% passing 2mm • Crushed sample quartered to 500g and pulverized to pass 75 micron.

Criteria	JORC Code Explanation	Commentary
Quality of assay data and laboratory tests	• The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. • For geophysics tools, spectrometers, hand held XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibration factors applied and their derivation etc. • Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	• No record of QAQC procedures were available for historic sampling. • Recent samples assayed for WO_3 and Mo by XRF at Burnie Research Laboratories (AMMTECH, ALS). • Historic samples assayed for WO_3 and Mo by XRF in on site mine laboratories with check samples assayed by Amdel. • No formal QAQC analysis cited for recent validation drilling campaign.
Verification of sampling and assaying	• The verification of significant intersections by either independent or alternative company personnel • The use of twinned holes • Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols • Discuss any adjustment to assay data	• No independent laboratory analyses completed. • Minor verification of historic data with recent drilling campaigns. • Twinned Metallurgical holes show excellent correlation with primary hole. • Primary assay data was received electronically and stored by consultant geologist. • All electronic data uploaded to access database • Historic data loaded into Access database. • Data validation with Surpac software, basic statistical analysis and comparison with historic plans and sections. • Negative results for below detection limit assay data has been entered as 0.01%WO_3
Location of data points	• Accuracy and quality of surveys used to locate drill holes (collar and downhole surveys) trenches, mine workings and other locations used in mineral resource estimation • Specification of grid system used	• All hole collar surveys by licensed surveyor. • All coordinates in historic mine grid ISG and GDA94 • RL's as MSL • Down hole surveys by downhole camera

	• Quality and accuracy of topographic control	• Topographic dtm created from mine surveys
Criteria	**JORC Code Explanation**	**Commentary**
Data Spacing and distribution	• Data spacing for exploration results • Whether data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve estimation procedures and classifications applied. • Whether sample compositing has been applied	• Sample spacing approximately 20 x 20m or better for much of the resource. • Drill spacing is considered to be appropriate for the estimation of Measured and Indicated Mineral resources. • Samples have been composited on 1m intercepts for the resource estimation.
Orientation of data in relation to geological structure	• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. • If the relationship between drilling orientation and the orientation of key mineralised structures is considered to have introduced sampling bias, this should be assessed and reported if material.	• The majority of DDH have been drilled north-south or vertical sub-perpendicular the gently dipping mineralisation. • Drill hole orientation is not considered to have introduced any material sampling bias.
Sample Security	• The measures taken to ensure sample security	• Post 2005 samples ticketed and bagged on site. • Delivered by courier to laboratories in Burnie. • All historic data digitally captured and stored in customised access database • Data integrity validated with Surpac Software for EOH depth and sample overlaps. • Manual check by reviewing cross sections with the historic drafted sections and plans. • Basic statistical analysis supports data validation
Audits or Reviews	• The results of any audits or reviews of sampling techniques and data	• No audits or reviews of sampling data and techniques completed.

Section 2 Reporting of Exploration Results

Section 2. Reporting of Exploration Results		
Criteria	JORC Code Explanation	Commentary
Mineral tenement and land tenure status	• Type reference, name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. • The security of tenure held at the time of reporting along with known impediments to obtaining a license to operate the area	• ML1/2006 Grassy King Island EL19/2001 and MLA2030P/M • The ML, MLA and EL's are 100% owned by Australian Tungsten Pty Ltd, a subsidiary of KIS • The area is a historic scheelite mining district and there are no known or experienced impediments to operating a license in this area • EL19/2001 requires annual renewal. • State Royalties 5.35%, Osisko Royalty 1.5%, HNC Royalty 2% capped at $3.9M
Exploration done by other parties	• Acknowledgement and appraisal of exploration by other parties	• The Dolphin Mine operated intermittently as an open cut and underground operation until its closure in 1990 by King Island Scheelite, Geopeko and North Ltd. • Exploration and resource drilling completed by these previous companies. • KIS commenced feasibility studies into reopening the operation in 2005 until the present.
Geology	• Deposit type, geological setting and style of mineralisation	• The Dolphin Scheelite deposit is a metasomatic skarn hosted in hornfelsed Cambrian calcareous sedimentary rocks on the northern margin of the Grassy Granite, southeast King Island. The deposit forms a roof pendant located on the surface of the granite. The skarn consists of layered and banded garnet skarn and pyroxene-garnet skarn replacing two principal carbonate horizons, B and C Lens. Scheelite occurs as coarse and fine disseminations in the skarn mineralogy.

Criteria	JORC Code Explanation	Commentary
Drill Hole Information	• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes • easting and northing of the drill hole collar • elevation or RL of the drill hole collar • dip and azimuth of the hole • downhole length and interception depth • hole length • If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case	• Not applicable. This announcement refers to the Reserve Estimation and Feasibility study of the Dolphin Project and is not a report on Exploration Results. • Drill hole information previously reported in Mineral Resource Estimation Report (ASX:KIS April 2015).
Data aggregation methods	• In reporting of Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cutoff grades are usually material and should be stated. • Where aggregate intercepts include short lengths of high grade results and longer lengths of low grade results, the procedure used for aggregation should be stated and some examples of such aggregations should be shown in detail • The assumptions used for any reporting of metal equivalent values should be clearly stated.	• Not applicable. This announcement refers to the Reserve Estimation and Feasibility study of the Dolphin Project and is not a report on Exploration Results. • A summary of resource validation drill intercepts has been previously reported in Mineral Resource Estimation Report (ASX:KIS April 2015). • Mineralised zones were reported as length weighted intercepts.

Criteria	JORC Code Explanation	Commentary
Relationship between mineralisation widths and intercept lengths	• These relationships are particularly important in the reporting of Exploration Results with respect to the drill hole angle is known, its nature should be reported. • If it is not known and only the downhole lengths are reported, there should be a clear statement to this effect (e.g. down hole length, true width not known)	• Most drill holes have been drilled to intercept the deposit at high angles to best represent true widths of the mineralisation. • Systematic resource drilling on 20m sections.
Diagrams	• Appropriate maps and sections (with scales) and tabulated intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill collar locations and appropriate sectional views.	• See the body of this report for plan and section of the Dolphin Deposit. • Detailed plans and sections previously reported in Mineral Resource Estimation Report (ASX:KIS April 2015).
Balanced reporting	• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/ or widths should be practiced to avoid misleading reporting of Exploration Results	• Not applicable. This report is a Mineral Reserve Estimation and does not contain any exploration Results. • Exploration Results previously reported in Mineral Resource Estimation Report (ASX:KIS April 2015).
Other substantive exploration data	• Other exploration data, if meaningful and material, should be reported including (but not limited to); geological observations, geophysical survey results, geochemical survey results, bulk samples – size and method of treatment, metallurgical results, bulk density, groundwater, geochemical and rock characteristics, potential deleterious or contaminating substances.	• Bulk samples and diamond drill core have been selected for metallurgical test work. • Summary details of test work are located in JORC Table 1 Section 4 of this report.

Criteria	JORC Code Explanation	Commentary
Further work	• The nature and scale of planned further work (e.g. test for lateral extensions or depth extensions or large scale step out drilling) • Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Further resource extension drilling west and south east of Indicated Resource. • Resource plans and sections previously reported in Mineral Resource Estimation Report (ASX:KIS April 2015).

SECTION 3, REPORTING OF MINERAL RESOURCE ESTIMATIONS		
Criteria	**JORC Code Explanation**	**Commentary**
Database Integrity	• Measures to ensure the data has not been corrupted by, for example transcription or keying errors, between its initial collection and its use for Mineral Resource estimation. • Data Validation and procedures used.	• All data captured and stored in customised Access database. • Recent digital data uploaded from laboratory reports to Access database. • Data integrity validated with Surpac Software for EOH depth and sample overlaps and transcription errors. • Historic data digitized by database consultants and uploaded to access database. • Data validated against historic plans and sections • Minor errors in data location, fixed in data base. • Negatives in database converted to 0.01% WO_3 and Mo.
Site Visits	• Comment on any site visits by the competent person and the outcome of any of those visits. • If no site visits have been undertaken indicate why this is the case.	• Numerous site visits during various drilling campaigns since 2010.
Geological Interpretation	• Confidence in (or conversely the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and any assumptions made. • The effect if any of alternative interpretations on Mineral Resource estimation • The use of geology in guiding and controlling the Mineral Resource estimation • The factors effecting continuity of both grade and geology.	• High confidence in the geological model. High quality sectional interpretation from underground mapping and drill hole data by Geopeko Ltd. • Diamond drillholes and sections used for geological domaining. • No alternative geological interpretations were attempted. • Geology model used for mineralised domain modeling. • Brittle faulting and skarn mineralogy effect grade domaining.
Dimensions	• The extent and variability of the mineral resource expressed as length (along strike or otherwise) plan width and depth below surface to the upper and lower limits of the Resource	• Semi-continuous SE shallow plunging and dipping stratabound mineralisation extends 1150m in strike, by 750m width and dips from 80m above sea level in the west to 380m below sea level in the east.

Criteria	JORC Code Explanation	Commentary
Estimation and Modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by products • Estimation of deleterious elements or other non-grade variables of economic significance (e.g. sulphur for acid mine drainage characterization). • In the case of blockmodel interpolation the block size in relation to the average sample spacing and search employed. • Any assumptions behind modeling of selected mining units • Any assumptions about correlation between variables • Description of how the geological interpretation was used to control the resource estimates. • Discussion of the basis for using or not using grade cutting or capping • The process of validation, the checking process used, the comparison of model data to drill hole data, and the use of reconciliation data if available.	• Block modeled estimation completed with Surpac™ software licensed to Tim Callaghan. • Wire-framed solid models created from diamond drillholes and 20m sectional interpretation. • Solid models snapped to drill holes • Minimum mining width of 3m @ 0.2% WO_3 • Internal dilution restricted to 3m with allowances for geological continuity • Data composited on 1m downhole lengths including WO_3 and Mo • Top cutting based on CV and grade histograms for B Lens and PGH domains only. • Excellent correlation between WO_3 and Mo grades for C lens, poor correlation for B Lens • Model extent of 563600N to 564500N, 219250E to 220600E, -400mRL to 100mRL. Block dimensions of 10mN x 10mE x 10mRL block size with sub-celling to 1.25m. • Variogram models well constructed with moderate to high nugget effect (50%) and moderate range of 15 to 30m to sill for most geological domains. • Search ellipse set at 100m spherical range to ensure all blocks populated with minor anisotropy of 1:2 • Ordinary kriged block model constrained by geology solid model • Block grades validated visually against input data • Good correlation with previous estimations • Very good correlation of depleted model with historic underground production

Criteria	JORC Code Explanation	Commentary
Moisture	• Whether the tonnages were estimated on a dry basis or with natural moisture, and the method of determination of moisture content.	• The estimate based on a dry tonnage basis
Cut-off Parameters	• The basis of the adopted cutoff grades or cutoff parameters	• Cut off grades have been based on estimated mine grade break even costs. Operating costs and financial parameters were provided by external consultants and KIS. A break even cutoff grade of 0.3% WO_3 is calculated for open pit resources. • 0.2% WO_3 cut off used for modelling and reporting.
Mining Assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or if applicable external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters made when estimating Mineral Resources may not always be rigorous. When this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Conventional blast load haul open pit operation in the first 4 years of mine life. Ore production rate of 400ktpa and waste movement of approximately 1Mtpa is expected from scoping studies. • Underground mining will involve conventional decline accessed room and pillar extraction with waste and sand backfill. Production rates are expected to be 300-400ktpa.
Metallurgical assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions made regarding metallurgical treatment processes and parameters made when estimating Mineral Resources may not always be rigorous. When this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Refer to Table 1 Section 4 of this report.

Criteria	JORC Code Explanation	Commentary
Environmental assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status for early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• Refer to Table 1 Section 4
Bulk Density	• Whether assumed or determined. If assumed the basis for the assumptions. If determined the methods used, whether wet or dry, the frequency of measurements, the nature size and representativeness of the samples. • The bulk density for bulk materials must have been measured by methods that adequately account for void spaces (vughs, porosity etc.), moisture and difference between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• Bulk density derived from historic operations (Balind 1989). • Validation of density measurements made with Post 2014 drill core using the Archimedes Method. • Bulk density used as below: B Lens = 3.1 C Lens = 3.4 Waste = 2.9

Criteria	JORC Code Explanation	Commentary
Classification	• The basis for the classification of the Mineral Resource into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (i.e. relative confidence in continuity of Geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Persons view of the deposit.	• Confidence in the geological model, data quality and interpolation is considered to be sufficient for Mineral Resource located within 30m of sample data to be classified as Indicated Resource. • Excellent correlation of grade with historic production provides confidence in the estimation. • The resource classification appropriately reflects the views of the Competent Person • None of the resource has been classified as Measured Resource due to a reliance on historic data and mine void models that cannot be adequately validated.
Audits or Reviews	• The results of any Audits or Reviews of the Mineral Resource estimates.	• No audits or reviews have been completed for this estimation
Discussion of relative accuracy/confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource Estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy of the estimate. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The geological model and data quality within 30m of level development is well understood and modeled. • The effects of localised brittle faulting is well understood from underground mapping and drilling. • There is excellent confidence in the global tonnage estimation. • Grade and tonnage estimation of the void model has excellent reconciliation with historic underground production. • There is some local uncertainty in the accuracy of the digital mine model. This is unlikely to have a material effect on the resource estimation for feasibility studies.

Section 4 ESTIMATION AND REPORTING OF RESERVES		
Criteria	**JORC Code Explanation**	**Commentary**
Mineral Resource estimate for conversion to Ore Reserve	• Description of the Mineral Resource estimate used as a basis for the conversion to an Ore Reserve. • Clear statement as to whether the Mineral Resources are reported additional to, or inclusive of, the Ore Reserves	• The Mineral Resources Statement was signed by Mr Tim Callaghan, an Independent Consultant. Mr Callaghan is an AUSIMM member and has sufficient relevant experience to qualify as a Competent Person. • Indicate Mineral Resource estimated at 9.6 Mt at 0.90% WO_3. This Reserve Estimate has been estimated using the same geological model as used in the April 2015 Resource Statement. • The Mineral Resource reported is inclusive of the Ore Reserves.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• Numerous site visits since 2010
Study status	• The type and level of study undertaken to enable Mineral Resources to be converted to Ore Reserves • The Code requires that a study to at least Prefeasibility Study level has been undertaken to convert Mineral Resources to Ore Reserves. Such studies will have been carried out and will have determined a mine plan that is technically achievable and economically viable, and that material Modifying Factors have been considered.	• Numerous studies have been conducted by KIS over the past decade. • 2012, positive Feasibility Study was completed based on the re-accessing of underground operations and retreatment of historic tailings. 2012 financial conditions resulted in the project being shelved. • 2015, Xenith commissioned to complete a Prefeasibility study and Reserve Estimation of the Dolphin Open Cut • This Feasibility Study is essentially an update of the 2015 study

Criteria	JORC Code Explanation	Commentary
Cut-off parameters	• The basis of the cut-off grade(s) or quality parameters applied.	• The mine planning and ultimate pit design was prepared based on the marginal cut-off grade of 0.2% WO3.
Mining factors or assumptions	• The method and assumptions used as reported in the Pre-Feasibility or Feasibility Study to convert the Mineral Resource to an Ore Reserve (i.e. either by application of appropriate factors by optimisation or by preliminary or detailed design). • The choice, nature and appropriateness of the selected mining method(s) and other mining parameters including associated design issues such as pre-strip, access, etc. • The assumptions made regarding geotechnical parameters (eg pit slopes, stope sizes, etc), grade control and pre- production drilling. • The major assumptions made and Mineral Resource model used for pit and stope optimisation (if appropriate). • The mining dilution factors used. The mining recovery factors used. • Any minimum mining widths used. • The manner in which Inferred Mineral Resources are utilised in mining studies and the sensitivity of the outcome to their inclusion. • The infrastructure requirements of the selected mining methods.	• The mining method used to determine the Ore Reserve was conventional open pit mining using backhoe style hydraulic excavators loading off highway dump trucks for both waste and ore mining • Geotechnical parameters defined by PSM 30° slope in marine sand 15m berm on sand-rock interface 50° – 70° face angle depending on domain 10 20m face height depending on domain 5-7m berms depending on domain • The in-situ ore was modified in order to simulate the mining process and the effects this has upon ore recovery, losses and dilution15 cm loss and 15 cm dilution was applied to all mineralization in the block model, along any block edge that was immediately adjacent a waste block. • In summary the basis for the open pit limits were: -20m contour of the base of the marine sand Pit slopes constrained by geotechnical domains Morphology of existing pit 0.2% WO_3 block cutoff. • Whittle Optimiser used to verify pit limits – physically constrained pit limits well within economic limits. • 20m single truck ramp 10% grade • No Inferred Resources used in the Reserve Estimation

Criteria	JORC Code Explanation	Commentary
Metallurgical factors or assumptions	• The metallurgical process proposed and the appropriateness of that process to the style of mineralisation. • Whether the metallurgical process is well-tested technology or novel in nature. • The nature, amount and representativeness of metallurgical test work undertaken, the nature of the metallurgical domaining applied and the corresponding metallurgical recovery factors applied. • Any assumptions or allowances made for deleterious elements. • The existence of any bulk sample or pilot scale testwork and the degree to which such samples are considered representative of the orebody as a whole. • For minerals that are defined by a specification, has the ore reserve estimation been based on the appropriate mineralogy to meet the specifications?	• The proposed process plant is substantially the same as the historic operation which closed in 1992 with some modernization of equipment and processes. • Numerous laboratory test programs have been completed since 2006 involving gravity, flotation, leaching and magnetic separation. These are the same unit processes used in the historical operations at Dolphin. • The aim of the recent work was to apply modern equipment and methods to the separation task using the above processes. Results achieved show that some improvement in performance is likely when using the more modern methods. Overall results indicate that some 62% recovery can be achieved with a relatively simple and conventional gravity circuit. Gravity tails flotation achieved an additional 12% recovery producing low grade concentrate. Flotation concentrate will require dressing to achieve saleable grade of 30-45% WO_3. • Samples used for most of the lab test work has been sourced from infill diamond drilling campaigns between 2008 and 2018.and are representative of scheduled ore production. Variability testing was completed demonstrating the range of plant performance expected. • The major deleterious elements include; Mo, SiO_2, P, S and F. KIS has negotiated limits according to offtake requirements. • No bulk or pilot scale work was considered necessary due to the many years of historical operations and experience that is available.

Criteria	JORC Code Explanation	Commentary
Environmental	• The status of studies of potential environmental impacts of the mining and processing operation. Details of waste rock characterisation and the consideration of potential sites, status of design options considered and, where applicable, the status of approvals for process residue storage and waste dumps should be reported.	• KIS has previously applied, and received approval from King Island Council in 2006, for the development of a large open pit and processing plant at the Dolphin mine site. • Environmental Protection Notice 7442/2 issued by the EPA on 2 October 2017 • Council development applications approved.
Infrastructure	• The existence of appropriate infrastructure: availability of land for plant development, power, water, transportation (particularly for bulk commodities), labour, accommodation; or the ease with which the infrastructure can be provided or accessed.	• Development of the site will necessitate the reinstatement or design and construction of access roads, process plant site, tailings storage facility, site office, heavy vehicle workshop, fuel storage, process water storage and pump line, potable water, explosives storage, power plant, site accommodation.
Costs	• The derivation of, or assumptions made, regarding projected capital costs in the study. • The methodology used to estimate operating costs. • Allowances made for the content of deleterious elements. • Allowances made for the content of deleterious elements. • The source of exchange rates used in the study. • Derivation of transportation charges. • The basis for forecasting or source of treatment and refining charges, penalties for failure to meet specification, etc. • The allowances made for royalties payable, both Government and private.	• Mining fleet capital developed from 1st principal owner operator by Xenith, plant capital provided by Gekko, tailings storage facility capital cost provided by PSM, additional site infrastructure capital cost estimation by BR Design. • Mine operating cost derived from Xenith cost model and database, plant operating cost provided by Gekko and Asther. Metal price and exchange rate assumptions provided by independent analysts ARGUS. • The APT price discounted by the purchaser by 20% if lower than 55%WO_3 grade. The APT price discounted by 3% for high Mo content. • Transportation charges derived from local and state shipping contractors • State Royalties 5.35%, Osisko Royalty 1.5%, HNC Royalty 2% capped at $3.9M

Criteria	JORC Code Explanation	Commentary
Revenue factors	• The derivation of, or assumptions made regarding revenue factors including head grade, metal or commodity price(s) exchange rates, transportation and treatment charges, penalties, net smelter returns, etc. • The derivation of assumptions made of metal or commodity price(s), for the principal metals, minerals and co-products.	• No factors were applied in the application of the metal prices stated in the above section. • The head grades as reported in this reserve estimate were not factored. • Metal price and exchange rate assumptions provided by independent analysts ARGUS.
Market assessment	• The demand, supply and stock situation for the particular commodity, consumption trend and factors likely to affect supply and demand into the future. • A customer and competitor analysis along with the identification of likely market windows for the product. • Price and volume forecasts and the basis for these forecasts. For industrial minerals the customer specification, testing and acceptance requirements prior to a supply contract.	• Market forecasts were based on a report prepared by ARGUS, an independent research firm with expertise and specialisation in the minerals industry and strategic research on the minerals industry and various mineral and metal commodities • The study indicated that Tungsten is used in many diverse commercial, industrial, construction, mining and military applications.
Economic	• The inputs to the economic analysis to produce the net present value (NPV) in the study, the source and confidence of these economic inputs including estimated inflation, discount rate, etc. • NPV ranges and sensitivity to variations in the significant assumptions and inputs.	• Inputs to the economic analysis were: Mine production schedule, including tungsten production schedule, produced as part of the Feasibility Study. Mine operating costs, process operating costs and general and administrative costs as stated above. APT price as stated above. Applicable royalties and taxes and duties per the mining code of Tasmania Discount rate of 8% • The Project's sensitivity to various inputs were also investigated. The Project is most sensitive to APT price, exchange rate and recovery. However, the project value remained positive up to a 20% reduction in APT price.

Criteria	JORC Code Explanation	Commentary
Social	• The status of agreements with key stakeholders and matters leading to social licence to operate.	• KIS has regularly engaged with the Tasmanian EPA and King Island Council to explain the likely changes in project impact to the local community and the environment. KIS has also held community consultations. King Island Council approved the amended mining operations without triggering any requirement for a further development application to be lodged or a permit issued. Local employment survey well received.
Other	• To the extent relevant, the impact of the following on the project and/or on the estimation and classification of the Ore Reserves: • Any identified material naturally occurring risks. • The status of material legal agreements and marketing arrangements. • The status of governmental agreements and approvals critical to the viability of the project, such as mineral tenement status, and government and statutory approvals. There must be reasonable grounds to expect that all necessary Government approvals will be received within the timeframes anticipated in the Pre-Feasibility or Feasibility study. Highlight and discuss the materiality of any unresolved matter that is dependent on a third party on which extraction of the reserve is contingent.	• No material naturally occurring risks have been identified to the Project. • A royalty of 5.3% is payable to the Tasmanian state government and a 3.5% is payable to third parties. • All relevant mining leases have been granted with 1M/2006 granted until 2029. EL19.2001 expires in December 2020 and will require an expenditure commitment of 200K for a two year term of extension. All land required for the Project is owned by KIS. All relevant EPA environmental permitting and local government planning approvals have been granted.
Classification	• The basis for the classification of the Ore Reserves into varying confidence categories. confidence categories. • Whether the result appropriately reflects the Competent Person's view of the deposit. • The proportion of Probable Ore Reserves that have been derived from Measured Mineral Resources (if any).	• Ore Reserves which have been reported as Probable Reserves have been derived directly from the Mineral resource classified as Indicated Resource. None of the resource was classified as Measured Mineral Resource. • The Competent Person is satisfied that the stated Ore Reserve classification reflects the outcome of the technical and economic studies

Criteria	JORC Code Explanation	Commentary
Audits or reviews	• The results of any audits or reviews of Ore Reserve estimates.	• No audits or reviews of the Ore Reserve estimates have been undertaken to date.
Discussion of relative accuracy/confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Ore Reserve estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the reserve within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors which could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • Accuracy and confidence discussions should extend to specific discussions of any applied Modifying Factors that may have a material impact on. Ore Reserve viability, or for which there are remaining areas of uncertainty at the current study stage. It is recognised that this may not be possible or appropriate in all circumstances. These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• In the estimating of these Ore Reserves, the confidence levels as expressed in the Mineral Resource estimates have been accepted in the respective resource classification categories. • The Ore Reserves estimates relate to global estimates in the conversion of Mineral Resources to Ore Reserves. Spacing of the drill data and underground mine mapping on which the estimates are based, relative to the intended local selectivity of the mining operations are sufficient to have a high level of confidence in the estimate. • Accuracy and confidence of modifying factors are generally consistent with the current level of this study. The modifying factors applied in the estimation of the Ore Reserves are considered to be of a sufficiently high level of confidence not to have a material impact on the viability of the estimated Ore Reserves. The Ore Reserve WO_3 grades are consistent with historic production figures.