KING ISLAND SCHEELITE
ASX : KIS

9 February 2021

The Manager
The Company Announcements Office
Australian Securities Exchange

Cleansing Notice under section 708A(5)(e) of the *Corporations Act 2001* (Cth)

This notice is given by King Island Scheelite Limited ABN 40 004 681 734 (ASX Code: KIS) (**Company**) under section 708A(5)(e) of the *Corporations Act 2001* (Cth) (**Corporations Act**).

On 23 October 2020, as announced, the Company undertook a capital raising to sophisticated and professional investors to raise $2.5 million at a price of 5.5c per ordinary fully paid share (**Share**) with one free attaching option for every two Shares subscribed . The raising exceeded the Company's 15% capacity that is allowed by the ASX Listing Rules, so was split into two tranches. Tranche 1 (39,327,271 Shares) used the Company's 15% capacity. Tranche 2 exceeded the capacity and had to be approved by shareholders at a general meeting.

Approval of Tranche 2 was obtained at the Company's AGM on 8 January 2021.

The additional Tranche 2 Shares and options were not issued until agreement had been reached with the Tasmanian State Government regarding the loan announced on 2 February 2021.

Consequently, on 4 February 2021, the Company issued a total of 7,363,638 Shares for an issue price of A$0.055 per Share and 23,345,446 quoted options (KISO strike $0.10 expiring 1 August 2021), pursuant to the cash placement announced on 23 October 2020.

A further 9,090,909 Shares and 4,545,454 quoted options (KISO) are to be issued under the same terms and conditions in lieu of the conversion of a debt owed by the Company. The issue of these equity securities is subject to obtaining FIRB approval.

In early 2020, the Company engaged government liaison consultants to provide corporate promotion, with part of the consulting fees payable by the issue of 1,272,880 Shares ($55,000).

In addition, the Company has entered into a consulting agreement with a broking firm in terms of which part payment will be through the issue of 3,872,000 quoted options (KISO) for no cash.

Issuing of equity securities, for the conversion of debt and consulting engagements, are subject to the ASX Listing Rules and the 15% limit under ASX Listing Rule 7.1. After the proposed issues of equity securities, the Company's remaining ASX Listing Rule 7.1 capacity will be 27.6 million equity securities.

In accordance with section 708(6) of the Corporations Act, the Company provides notice to the ASX that:

1. it has issued the Shares without disclosure to investors under Part 6D.2 of the Corporations Act;
2. this notice is being given under section 708A(5)(e) of the Corporations Act;
3. as at the date of this notice, the Company has complied with:

a. the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and

b. section 674 of the Corporations Act; and

4. as at the date of this notice, there is no “excluded information” of the type referred to in section 708A(7) of the Corporations Act that investors and their professional advisors would reasonably have expected to find in a disclosure document.

Yours sincerely,

Ian Morgan
Company Secretary

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