



2 February 2021

Dolphin Tungsten Project secures \$10 million in Tasmanian Government loan finance support

Highlights:

- **KIS secures loan funding from Tasmanian Government to support the redevelopment of its 100%-owned high-grade Dolphin Tungsten Project**
- **The loan funding package is for \$10 million over a 10 year term**
- **The support also aids KIS's commercial funding negotiations currently being conducted with financial institutions**

King Island Scheelite Limited (**ASX: KIS**) ("KIS" or "the Company") is pleased to announce that it has secured financial support through a loan of \$10 million from the Tasmanian Government.

The proceeds will support the Company's redevelopment of its 100% owned Dolphin Tungsten Project, located on King Island, Tasmania.

King Island Scheelite Executive Chairman, Johann Jacobs, said:

"We are delighted to have received this funding support which will significantly enhance King Island Scheelite's financial strength and flexibility.

"Tungsten is a strategically significant metal and a key input to industries that are vital to national security. We note that several Western governments have recently identified a crisis in the supply chain for critical minerals, particularly tungsten, for which North America currently has no mines in production.

"Therefore, we see a close alignment between the Company's development objectives, the Tasmanian Government's interests in maintaining and growing both Tasmanian jobs and export revenue, and the strategic objectives of the Australian Government as implemented by Austrade and the Critical Mineral Facilitation Office.

"We have secured this funding at an exciting time for King Island Scheelite, coming shortly after our completion of testwork which resulted in significant improvements in recoveries and grade, our



publication of a Revised Feasibility Study which has boosted the expected project NPV by 65% to \$241 million¹, and our signing of a significant multi-year offtake agreement.²

"This funding empowers us to continue our development program at Dolphin, which hosts one of the few high quality tungsten deposits remaining in the Western world.

"We thank the Tasmanian Government for its support of the Dolphin Project. We will continue to engage closely with agencies across all levels of Government, both State and Federal, as the Company gathers the financial and technical resources that will underpin the success of the Dolphin Project."

The Tasmanian Government facility is on the following key terms:

- *Loan term of 10 years*
- *Interest only on a monthly basis, then fixed principal plus interest payable monthly, commencing on the first day of the month following the second anniversary of the initial loan drawdown*
- *No penalties for early repayment*
- *Security and other terms, including conditions precedent, are in line with facilities of this nature*
- *All other capital raisings necessary to deliver the project being successful*
- *Formal loan and security documentation being agreed and executed*

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

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¹ Company's ASX announcement on 16 December 2020.

² Company's ASX announcement on 2 September 2020.