

KING ISLAND
SCHEELITE



The Dolphin Tungsten Project

Investor Presentation March 2021

THE DOLPHIN TUNGSTEN PROJECT (100% KIS-OWNED)

ALL APPROVALS GRANTED

Mining license, environmental approval (EPA) and further exploration licences

LOW COST

Low OPEX and CAPEX compared to peers

SUPPORTIVE JURISDICTION

\$10m in loan funding recently secured from Tasmanian Govt, with further federal and local support anticipated through recently-established Critical Minerals Facilitation Office (CFMO) and the Federal Government's \$1.3 billion Modern Manufacturing Initiative (MMI)

HIGH GRADE

One of the world's highest grade tungsten deposits

SUBSTANTIAL UPSIDE

Potential for expansion/extension at nearby Bold Head and additional exploration leases

INFRASTRUCTURE

KIS owns all associated land and Dolphin is 1km from the Port of Grassy and existing infrastructure, substantially reducing CAPEX

OFFTAKE SECURED

Agreements signed with WBH and Noble Group for approx. 70% of annual production

TUNGSTEN: A STRATEGIC INDUSTRIAL METAL

- Tungsten is ranked by the British Geological Surveys, US Department of Defence, the European Commission, Japan, Russia and Australia as a **'critical'** mineral:

- Due to its **economic importance**
- **Supply risk** – dominance of China in the market
- **Inability to be substituted**

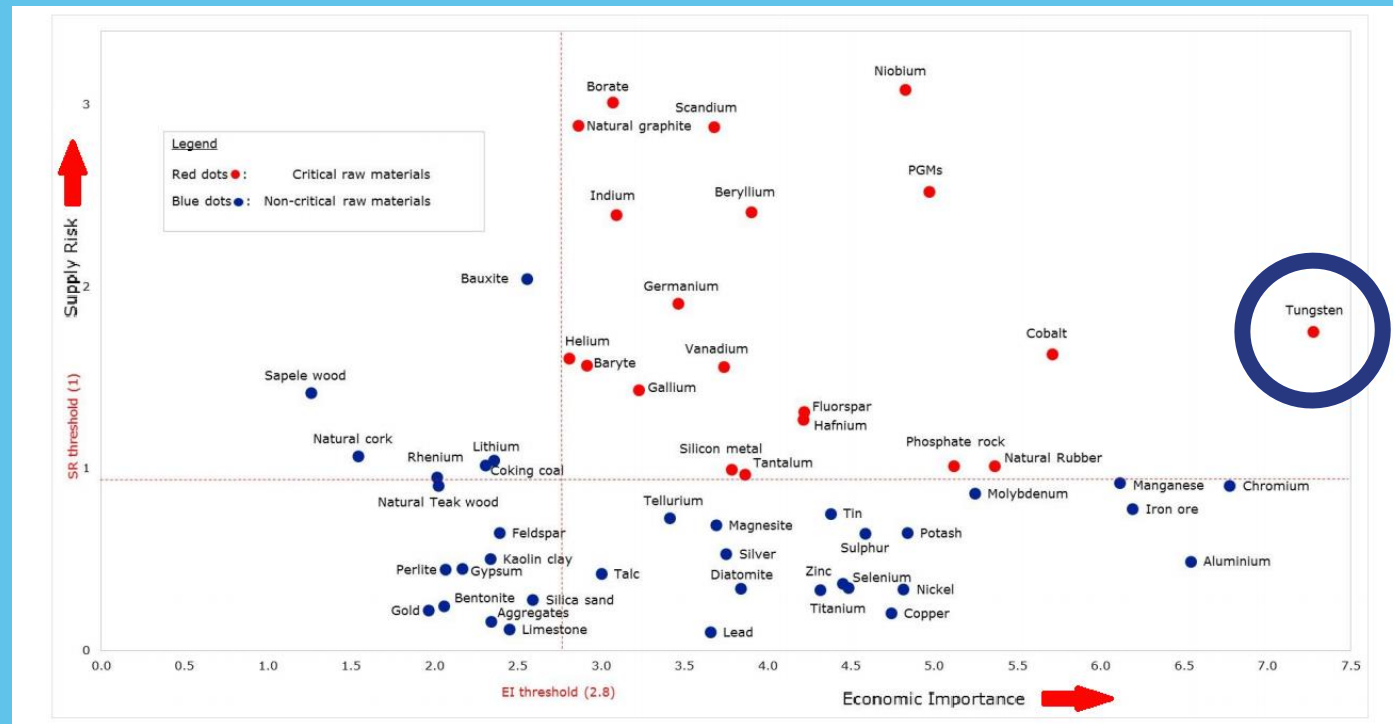
- Tungsten is a key input to industries vital to national security:

- With hardness second only to that of diamonds
- The highest melting point of all metallic elements

- Diverse commercial, industrial and military applications:

- Steel hardening, aeronautical and automobile manufacturing, armaments, semiconductors, electronics, lighting, rail, chemicals and high technology

- The Western world has recently identified a crisis in the supply chain for critical metals, in particular for metals used in defense applications



Source: European Commission Study on the Review of the List of Critical Raw Materials, 2017

LOCATION & INFRASTRUCTURE

- The Dolphin Project is near the town of Grassy, on the south east coast of King Island, the most western large island in Bass Strait between Victoria and Tasmania
- KIS recently acquired an adjacent property (Portside Links) which has strategic relevance, providing the mine direct access to the Port of Grassy (**less than 1km away**)
- The Port of Grassy accommodates 5,000 tonne vessels and is serviced weekly from Victoria and Tasmania



A WORLD-CLASS QUALITY DEPOSIT

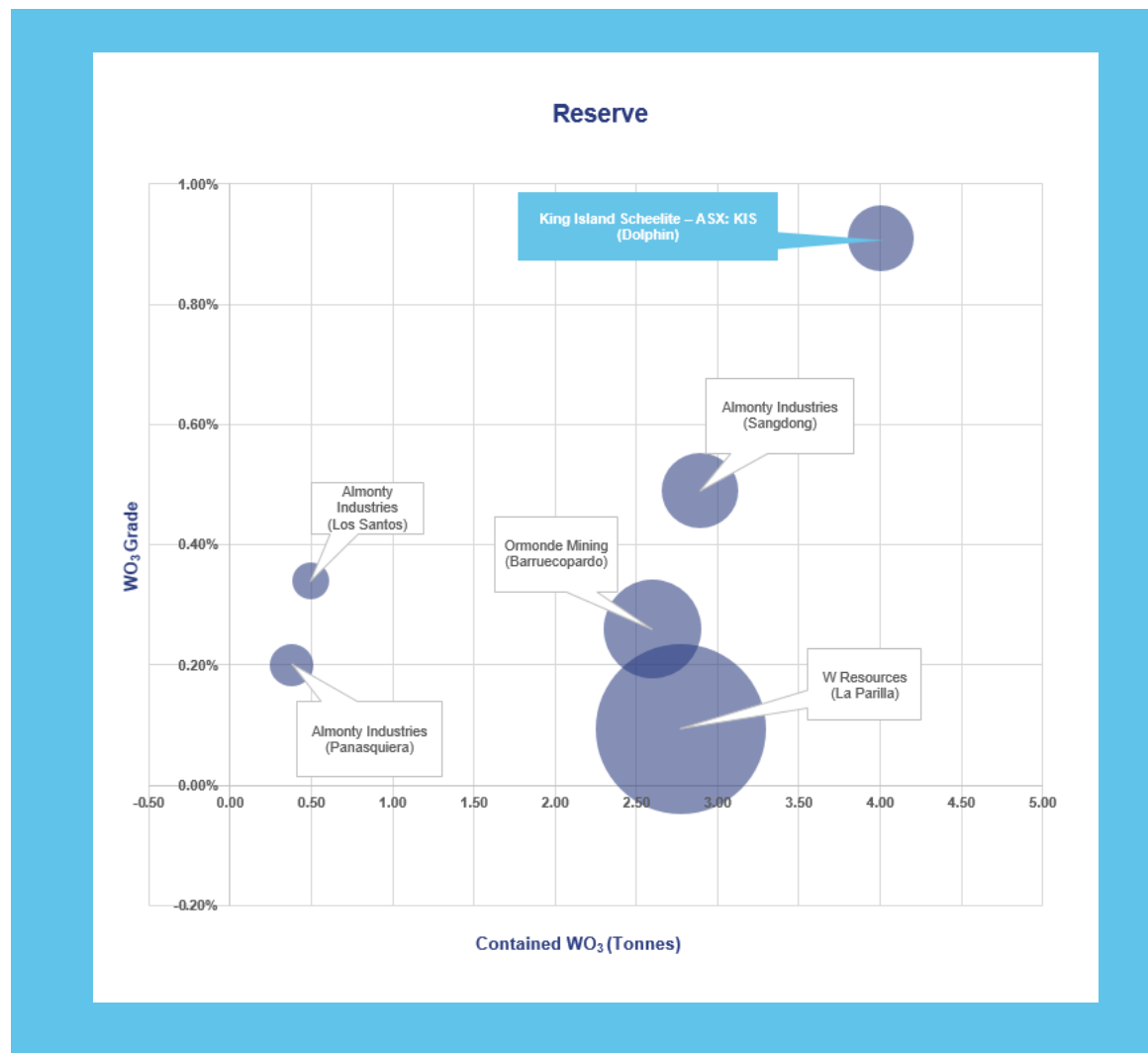


Chart depicts those companies that have reserve category deposits; bubble size denotes reserve tonnage

Source: Company reports and announcements

GEOLOGY – DOLPHIN AND BOLD HEAD

RESERVES

**2.9M tonnes @ 0.76% WO₃
(0.20% cut-off)**
**Underground 1.5M tonnes @ 1.24%
WO₃ (0.70% cut-off)**



RESOURCE

**Dolphin – 9.6M tonnes @ 0.90% WO₃
(0.20% cut-off)**
**Bold Head – 1.6M tonnes @ 0.91% WO₃
(0.50% cut-off)**

UNDERGROUND OPERATIONS

**Revised Feasibility Study completed
in December 2020 indicates 6-year
underground mine life, extending
total project life to 14 years**



HISTORICAL PRODUCTION

10M tonnes @ 0.67% WO₃

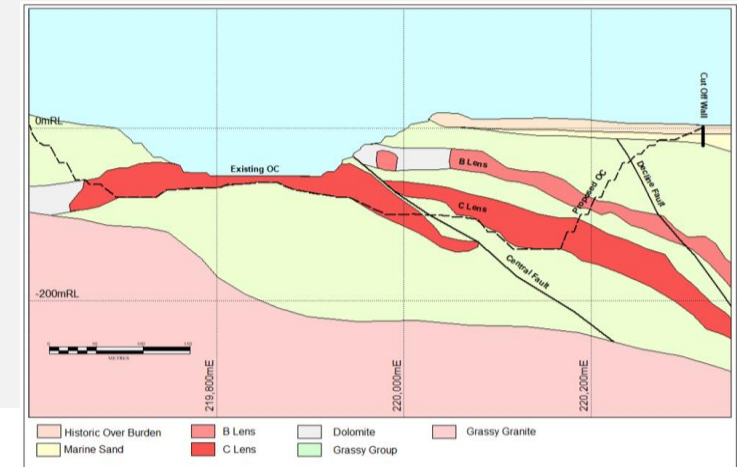
Sources: Revised Feasibility Study, 16 December 2020, and Revised Mineral Resource, 3 June 2019

DEVELOPMENT PLAN

- Fully approved open-cut mine producing 400,000 tonnes of ore per annum, yielding around 275,000 mtu of WO_3 for 8 years (1 mtu of WO_3 = 10 kg of tungsten trioxide)
- Underground producing 300,000 tonnes yielding similar WO_3 for 6 years
- Opportunity to significantly increase mine life by mining the remnant underground resource from the final open-cut highwall

Shovel Ready Project

- ✓ Mining lease valid to 2029 and extendable
- ✓ Environmental approval granted
- ✓ Mining economic grade ore from day one



PROJECT ECONOMICS

A\$241m

NPV @ 8%
Pre Tax



A\$73m

CAPEX



AUD \$130/mtu WO₃

OPEX



43%

IRR
(Pre-Tax)



400/300 ktpa

Annual Mine
Production



AUD\$428/mtu

APT Price – 5 year avg

**WO₃ concentrate trades at an approx.
20% discount to APT*



2.25 Years

Pay Back
Period



275,000 mtu WO₃

Annual Mine
Production



\$0.70 AUD/USD

Exchange
Rate



GOVERNMENT SUPPORT SECURED, FURTHER DISCUSSIONS ONGOING

- On 2 February 2021, KIS secured a loan funding package from the Tasmanian Government for **\$10 million over a 10-year term**, significantly enhancing the Company's financial strength and flexibility.
- This follows the Australian Government having recently opened a Critical Minerals Facilitation Office (CMFO), with sole focus to help grow Australia's critical minerals sector, with **potential to assist in the funding of high priority projects**. The CMFO has identified tungsten as a critical mineral and has placed tungsten in the top 10 of the 24 critical minerals identified.
- Further potential support is expected to become available as part of the Federal Government's \$1.3 billion Modern Manufacturing Initiative (MMI) announced in October 2020.
- Discussions between the Company and the CMFO, in addition to various other Federal, State and local authorities, are **advanced and ongoing** given the Dolphin Mine's strategic and regional economic importance.



Watch Gavin Pearce MP, Member for Braddon, Tasmania, discussing the importance of the Dolphin Project with KIS GM Chas Murcott on-site in February 2021 [here](#).

OFFTAKE: WOLFRAM BERGBAU

- Agreement signed in April 2019 with Wolfram Bergbau und Hütten AG – a world leading supplier of tungsten powders and subsidiary of the Sandvik Group
- Sandvik is a high-tech engineering group in tools and tooling system for metal coating, equipment, tools and services for the mining and construction industries products in advanced stainless steel and special alloys. Sandvik is a publicly traded company with a market cap of US \$35 B
- Total of 35,000 mtu of WO_3 per year for 4 years, which accounts for approximately 20% of proposed annual production

**At current tungsten pricing, the agreement represents approx.
A\$33 million over four years**

- The price for the concentrate will be referenced to the APT price and is based on take or pay principles with downside protection



OFFTAKE: KALON RESOURCES

- Agreement signed in September 2020 with industrial metal specialist Kalon Resources, a global leader in supply chain management of raw materials
- Kalon has a global footprint and works in close partnership with mining companies, mining communities, mineral processing facilities and industrial end-users with teams in Singapore, Hong Kong, South Africa, Rwanda, and Brazil
- Total of 98,000 mtu of WO_3 per year for 3 years, which accounts for approx. 50% of proposed annual production

At current tungsten pricing, the agreement represents approx. A\$69 million over three years

- The price for the concentrate will be referenced to the APT price, is based on take or pay principles and has downside protection



Kalon Resources is a wholly-owned subsidiary of Noble Group Holdings Ltd

PROJECT TIMELINE

Discussions
with Gov't
Agencies

Successful
in Feb 2021
(\$10m loan)

Late Jan
to late
Apr 2021

Project Debt
Finance
Proposals

Equity
Roadshows

Mar-Apr
2021

Financial
Close

31 May
2021

Project
Commencement

1 June
2021

Earthworks
and Civils

to end
Sept 2021

Mechanical
Construction

to end
Sept 2022

Commissioning

Aug to Oct
2022

First
Concentrate

Q4 CY22

CORPORATE OVERVIEW

SHARES ON ISSUE

356.9 M

36.2m KISO listed options
outstanding (1 Aug 2021, \$0.10)

MARKET CAP
@ 35C

AU\$125 M

NET CASH

~ AU\$3.3M

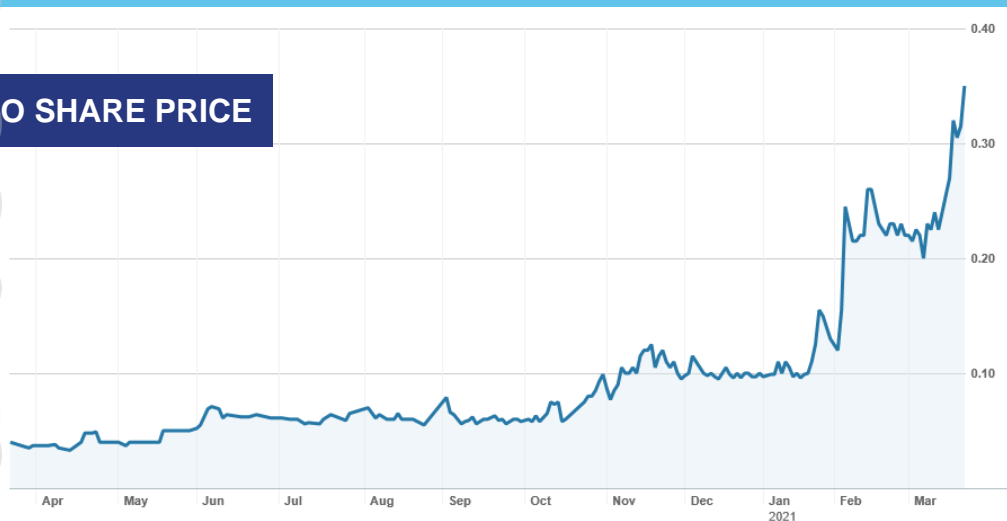
Post \$5.6m equity capital raising
in March 2021

DEBT

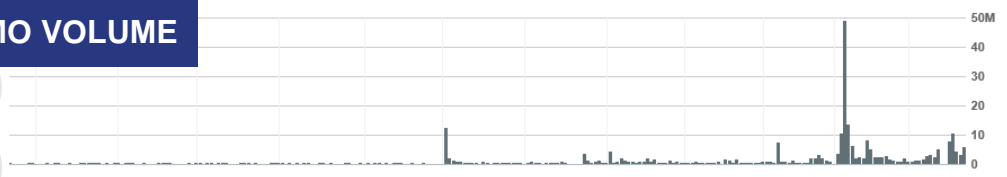
~ AU\$0.5 M

Prior to \$10m Tasmanian
Government loan facility

12-MO SHARE PRICE



12-MO VOLUME



Top 20 Shareholders (17 Mar 2021, amended for March 2021 share placement)

		Number of Shares	% of Shares on Issue
1	MR CHRISTOPHER ELLIS (DIRECTOR)	63,358,734	17.75%
2	MR RICHARD CHADWICK & MRS GWENDA CHADWICK	58,571,359	16.41%
3	D.A.CH.S. CAPITAL AG	24,214,718	6.79%
4	MR ANTHONY JAMES HAGGARTY	14,998,952	4.20%
5	MRS CATHERINE JEANNE MORRITT	13,820,599	3.87%
6	MR GIUSEPPE CORONICA & MRS YVONNE PRICE	8,270,000	2.32%
7	MR JOHANN JACOBS (DIRECTOR)	5,214,764	1.46%
8	MR ANDREW PLUMMER	5,170,590	1.45%
9	CITICORP NOMINEES PTY LIMITED	5,056,922	1.42%
10	ELPHINSTONE HOLDINGS PTY LTD <ELPHINSTONE HOLDINGS A/C>	4,943,182	1.39%
11	HUNAN NONFERROUS METALS CORPORATION LIMITED	4,450,000	1.25%
12	INVIA CUSTODIAN PTY LIMITED <AJ & LM DAVIES FAMILY A/C>	4,208,011	1.18%
13	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	3,105,997	0.87%
14	BRYANT JAMES MCLARTY <THE MCLARTY FAMILY A/C>	2,694,362	0.76%
15	TYSON RESOURCES PTY LTD	2,625,000	0.74%
16	GEKKO SYSTEMS PTY LTD	2,439,024	0.68%
17	MR SCOTT GILCHRIST	2,268,755	0.64%
18	MR DEAN ANDREW KENT <WATTLE A/C>	2,000,000	0.56%
19	MR DONALD BOYD	1,800,000	0.50%
20	BNP PARIBAS NOMINEES PTY LTD <LGT BANK AG DRP>	1,750,000	0.49%
TOTAL		230,960,969	64.73%

EXPERIENCED BOARD

JOHANN JACOBS

Executive Chairman

Johann has held a number of executive roles in resource companies, where he's managed acquisitions, expansions or start-ups of mining operations in Australia, Indonesia and South Africa.

His exposure in the mining industry includes coal, iron ore, uranium, oil and gas, gold and base minerals.

He is also a non-executive director of a number of private resource focused companies and was until 31 May 2020 a Non-Executive Director of Magnis Energtech Technologies Ltd.

CHRIS ELLIS

Executive Director

Chris has over 30 years' experience in the exploration and mining industry in Australia and overseas. He was a founding member and Executive Director of coal mining company Excel Coal Limited which became Australia's largest independent coal mining company, before being acquired by Peabody Energy Inc. in October 2006 for A\$2 billion.

Chris has core skills in geology, mining engineering and minerals processing, in coal, gold, base metals and diamonds. Chris is a Non-Executive Director of Ausquest Limited.

GREG HANCOCK

Non-Executive Director

Greg is Managing Director of Hancock Corporate Investments P/L, a specialist Corporate Advisory practice.

He is Non-Executive Chairman of Ausquest Ltd, BMG Resources Ltd, Cobra Resources Plc and Non-Executive director of Golden State Mining.

He was first Chairman and founding director of Cooper Energy Ltd.

Greg maintains an active and ongoing engagement with capital markets both in Australia and the United Kingdom.

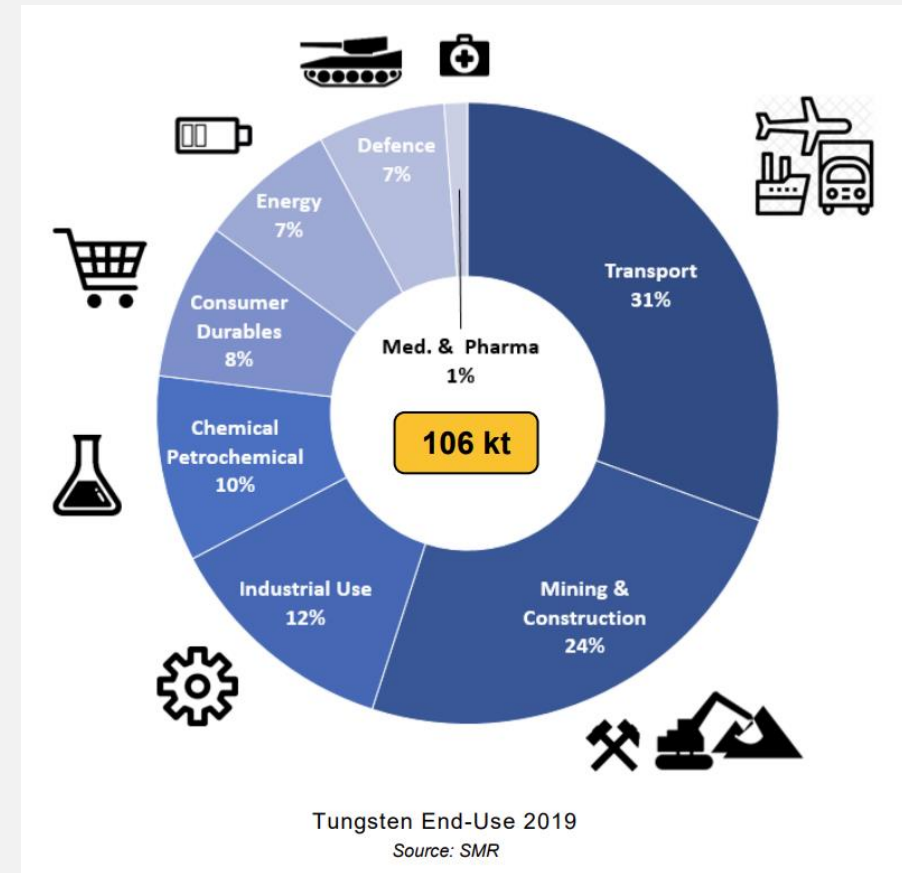
TUNGSTEN - USES

CURRENT

- Cemented carbides used in drilling tools and wear-resistant parts
- Alloy steels and alloys used primarily in tools
- Mill products
- Smart technologies (semiconductors)
- Powders now used in 3D printing and MRI machines

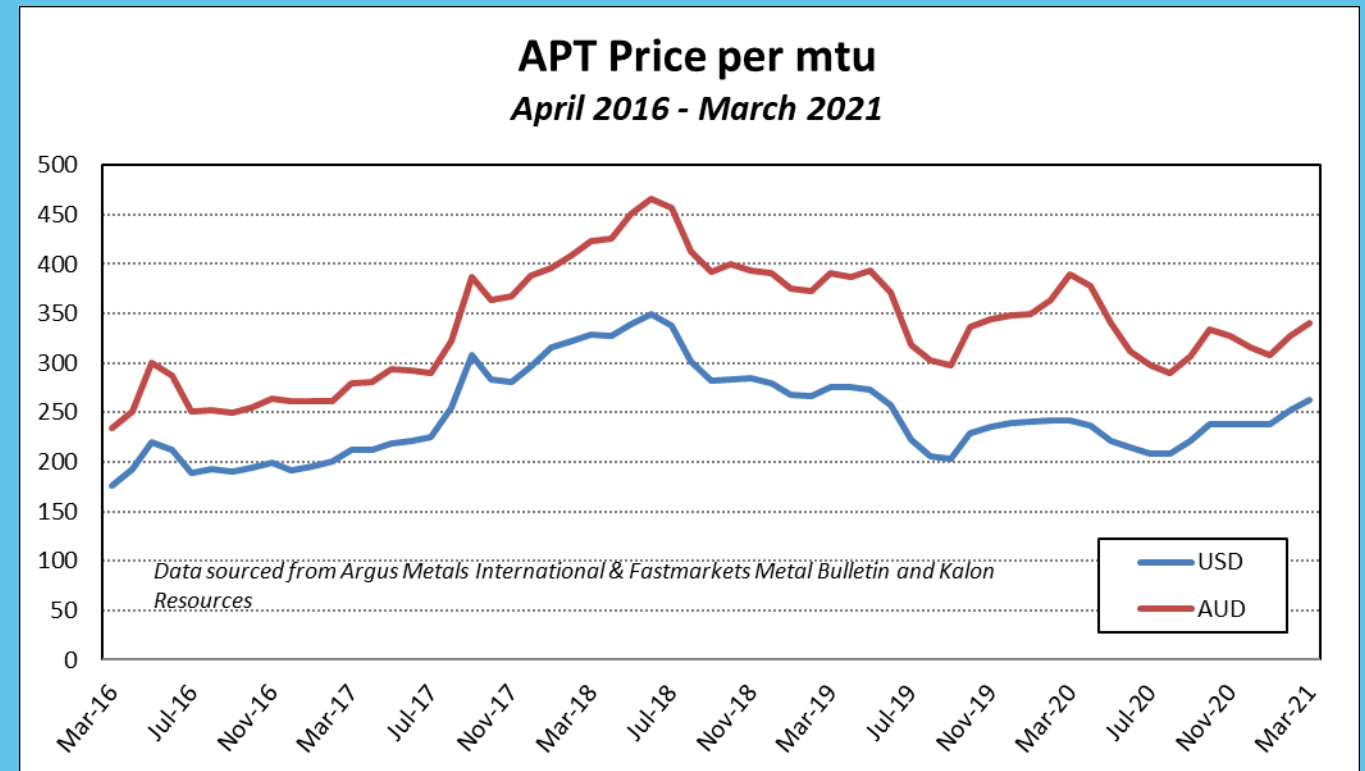
FUTURE

- Nickel-Tungsten alloys could potentially replace chrome plating as well as gold-nickel plating
- Deep drilling



TUNGSTEN – PRICE HISTORY

- 2017 saw prices rise significantly with expectations of stronger global growth and reduced supply from China
- 2018/19 saw prices remain stable in the H1 of the year while prices pulled back in H2 due to seasonal recess
- “China auctioned Fanya APT stocks in mid-September” - Argus Media, 30 August 2019
- Analysts expect long term prices to track back to above US\$280/mtu
- The average cost of production for Chinese producers is estimated to be US\$230/mtu



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GET IN TOUCH

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Competent Person’s Statement

The Information in this presentation relating to Mineral Resources and Exploration Results are extracted from the following reports lodged as market announcements and available to view on the Company’s website www.kingislandscheelite.com.au:

- “Updated Resources Statement April 2015” released 24 April 2015
- “Updated Reserve Statement” released 21 September 2015
- “Updated Reserve Statement released 21 September 2015” released 20 October 2015
- “Dolphin Project Drilling Results April 2018” released 23 April 2018
- “Exploration Drilling Results May 2018” released 17 May 2018
- “Updated Feasibility Study and Mineral Resource” released 3 June 2019

The Company confirms that it is not aware of any new information that materially affects the information included in the original market announcements and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcements.