



Dear Shareholder,

NOTICE OF EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS OF KING ISLAND SCHEELITE LIMITED ABN 40 004 681 734 (“COMPANY”)

Notice is hereby given that an Extraordinary General Meeting (EGM) of shareholders is to be held as follows:

Venue: Level 9
1 York Street,
Sydney NSW 2000

Time: 10 am

Date: 2 March 2007

Please find enclosed the following documents in relation to the EGM:

1. Notice of EGM together with Explanatory Statement and definitions of terminology used throughout.
2. Proxy Forms for EGM together with instructions.
3. Appointment of Corporate Representative for EGM.

If you are not able to attend the EGM in person, you are urged to complete and lodge the enclosed Proxy or Appointment of Corporate Representative (if a company).

Yours sincerely

Ian Morgan
Company Secretary
22 January 2007



NOTICE IS GIVEN that an Extraordinary General Meeting of the Company will be held on 2 March 2007 at 10 am at Level 9, 1 York Street, Sydney NSW 2000, to consider, and if thought fit, pass the resolutions below.

The Explanatory Statement and the Proxy Form accompanying this Notice are incorporated in and comprise part of this Notice.

AGENDA

Ordinary Business

RESOLUTION 1 – RATIFICATION OF PREVIOUS SHARE PLACEMENT

To consider and if thought fit to pass the following ordinary resolution in relation to the Placement:

“That for the purposes of ASX Listing Rule 7.4 and all other purposes, shareholders ratify the issue and allotment by the Company on 18 December 2006, of 3,179,364 fully paid ordinary shares in the capital of the Company (“Tranche 1 Shares”) at \$1.10 per share, to those persons set out in the explanatory statement.”

VOTING EXCLUSION STATEMENT

For the purposes of Listing Rule 7.5.6, and all other purposes, the Company will disregard any votes cast on Resolution 1 by any person who participated in the Placement and any associate of those persons. However, the Company need not disregard a vote if:

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

RESOLUTION 2 – ISSUE OF SHARES TO AN ASSOCIATE OF A DIRECTOR ANTHONY JAMES HAGGARTY

To consider and if thought fit to pass the following ordinary resolution in relation to the Placement:

“That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue and allotment by the Company of up to 367,000 fully paid ordinary shares in the capital of the Company to The Glen Rural Pty Ltd, a company in which Anthony James Haggarty, a director of the Company, holds a relevant interest (“Tranche 2 Shares”), at an issue price of \$1.10 per share on terms identical to the Company’s existing ordinary shares and to be issued no later than 1 month after the date of this meeting.”

VOTING EXCLUSION STATEMENT

For the purposes of ASX Listing Rule 10.13.6 and all other purposes, the Company will disregard any votes cast on Resolution 2 by Anthony James Haggarty, and any of his associates. However, the Company need not disregard a vote if:

- (i). it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii). is cast by a person chairing the meeting (other than Anthony James Haggarty) as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING RIGHTS AND PROXIES

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

RESOLUTION 3 – ISSUE OF SHARES TO A DIRECTOR ANDREW HENDERSON PLUMMER

To consider and if thought fit to pass the following ordinary resolution in relation to the Placement:

“That for the purposes of ASX Listing Rule 10.11 and all other purposes, shareholders approve the issue and allotment by the Company of up to 90,000 fully paid ordinary shares in the capital of the Company to Andrew Henderson Plummer, a director of the Company, (“Tranche 3 Shares”), at an issue price of \$1.10 per share on terms identical to the Company's existing ordinary shares and to be issued no later than 1 month after the date of this meeting.”

VOTING EXCLUSION STATEMENT

For the purposes of ASX Listing Rule 10.13.6 and all other purposes, the Company will disregard any votes cast on Resolution 3 by Andrew Henderson Plummer, and any of his associates. However, the Company need not disregard a vote if:

- (i). it is cast by a person as proxy appointed in writing for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (ii). is cast by a person chairing the meeting (other than Andrew Henderson Plummer) as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

VOTING RIGHTS AND PROXIES

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

If you wish to appoint a proxy and are entitled to do so, then complete and return the enclosed proxy form by either:

1. post to the registered office of the Company at Level 9, 1 York Street, Sydney NSW 2000; or
2. facsimile to the registered office of the Company – facsimile number +612 9241 6953;

not less than 48 hours before the time for holding the meeting.

A corporation may elect to appoint a representative in accordance with section 250D of the Corporations Act in which case the Company will require written proof of the representative's appointment. Corporate representative appointments may be delivered at any time before the meeting to the Company at its registered office or may be handed in at the Extraordinary General Meeting itself. A corporate representative appointment form is also enclosed.

The Company has determined in accordance with Regulation 7.11.37, Corporations Regulation 2001, that for the purpose of voting at the meeting or adjourned meeting, shares will be taken to be held by those persons recorded in the Company's register of Members as at 10am on 28 February 2007.

By order of the Board of Directors
Ian Morgan
Company Secretary
King Island Scheelite Limited
22 January 2007

EXPLANATORY STATEMENT

General

This Explanatory Statement has been prepared to provide you with material information reasonably required to enable you to make an informed decision on how to vote upon the business to be conducted at the Extraordinary General Meeting (*EGM*).

The purpose of the EGM is to consider and if thought fit, pass the Resolutions.

The Directors recommend that Shareholders read this Explanatory Statement, which forms part of the accompanying Notice of Meeting of Shareholders, before determining whether to support the Resolutions or otherwise.

RESOLUTION 1 – RATIFICATION OF A PREVIOUS SHARE PLACEMENT

Background

On 1 December 2006, the Company accepted and confirmed the appointment of Austock to manage a placement, of new fully paid ordinary shares in the Company to institutional and other exempt investors pursuant to Chapter 6D of the Corporations Act, on a best endeavours basis.

Under the terms of the engagement, Austock was entitled (for its services rendered) to a capital raising fee of up to 5% of the total value of all funds raised pursuant to the Placement, out of which, it may pay fees to participating brokers.

Funds raised will be directed to:

- Further advancing the Company's planned re-development of the King Island Scheelite mine in Tasmania, to re-commence tungsten production; and
- For working capital to make the next steps in advancing toward finalization of feasibility studies, development applications and financial close.

The Company intends to rely on the relief provided in section 708A of the Corporations Act, permitting the Company and Austock to offer the shares without a prospectus (provided the requirements under those provisions are complied with).

A Section 708A Notice was issued on 18 December 2006, in compliance with part of the requirements for the relief provided under section 708A.

Approvals Required

ASX Listing Rule 7.1 provides that without approval of the Shareholders, the Company must not issue or agree to issue more equity securities if such issue, if aggregated with the securities issued by the company during the previous 12 months, would be such amount that would exceed 15% of the issued shares at the commencement of that 12 month period (subject to certain exemptions not relevant to the Company's present circumstances).

Although the issue of 3,179,364 Tranche 1 Shares under the Placement was within the 15% prescribed limit when issued, the issue of those shares had not previously obtained Shareholder approval.

ASX Listing Rule 7.4 however treats the issue of those Tranche 1 Shares made without the approval under Listing Rule 7.1, as having been made with approval for the purposes of

NOTICE OF MEETING KING ISLAND SCHEELITE LIMITED 2 March 2007

Listing Rule 7.1 if that issue did not breach Listing Rule 7.1, and the Shareholders subsequently approve it. That issue did not breach Listing Rule 7.1.

Under Resolution 1, the Company seeks the ratification by the Shareholders of the issue and allotment of the Tranche 1 Shares issued and allotted to the subscribers under the Placement, so as to 'refresh' the effect of Listing Rule 7.1 on any further issues of securities in the next 12 months.

Details of Tranche 1 Shares

For the purposes of the ASX Listing Rule 7.5, the following information is given to Shareholders:

Issue Date: 18 December 2006

Allottee (basis): Various sophisticated and professional investors introduced to the Company by Austock (pursuant to the Placement).

Issue Price: \$1.10.

Number of fully paid ordinary shares: 3,179,364

Terms of the securities: the issued shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.

Use or intended use of the funds raised:

Funds raised will be directed to:

- Further advancing the Company's planned re-development of the King Island Scheelite mine in Tasmania, to re-commence tungsten production; and
- For working capital to make the next steps in advancing toward finalization of feasibility studies, development applications and financial close.

RESOLUTION 2 – ISSUE OF SHARES TO AN ASSOCIATE OF A DIRECTOR ANTHONY JAMES HAGGARTY

Background

Resolution 2 seeks Shareholder approval, by way of ordinary resolution, for the issue and allotment of up to 367,000 ordinary shares of the Company (if thought required by the Board) to The Glen Rural Pty Ltd, a sophisticated or professional investor introduced to the Company by Austock, and a company in which Anthony James Haggarty, a director of the Company, holds a relevant interest.

Directors propose to issue and allot Tranche 2 Shares by way of placement within one month after the date of this EGM at \$1.10 per share.

The Directors emphasise that the issue of Tranche 2 Shares is at the absolute discretion of the Board, and that the Board is under no obligation to cause the Company to issue all or any Tranche 2 Shares.

Approvals required

ASX Listing Rule 10.11 requires that a listed company obtain the shareholder approval by ordinary resolution prior to the issue of securities (including shares) to a related party. ASX Listing Rule 7.1 also requires the approval by shareholders of the issue of the shares that would exceed 15% of the issued shares at the commencement of a 12 month period (see further regarding Resolution 1). ASX Listing Rule 10.13 sets out the relevant information requirements that are to be provided to Shareholders in this Explanatory Statement.

If Resolution 2 is passed, then the Tranche 2 Shares may be issued to The Glen Rural Pty Ltd.

Accordingly, approval for the issue of Tranche 2 Shares to The Glen Rural Pty Ltd is required pursuant to ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Details of Tranche 2 Shares

In compliance with ASX Listing Rule 10.13, the following information is provided.

Name of Person: The Glen Rural Pty Ltd a company in which Anthony James Haggarty, a director of the Company, holds a relevant interest.

Maximum number of shares to be issued: 367,000.

Proposed date of issue of shares: Not later than 1 month after the date of this EGM.

Subscription Price: \$1.10 per share.

Terms of the securities: the issued shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.

Use or intended use of the funds raised:

Funds raised will be directed to:

- Further advancing the Company's planned re-development of the King Island Scheelite mine in Tasmania, to re-commence tungsten production; and
- For working capital to make the next steps in advancing toward finalization of feasibility studies, development applications and financial close.

RESOLUTION 3 – ISSUE OF SHARES TO A DIRECTOR ANDREW HENDERSON PLUMMER

Background

Resolution 3 seeks Shareholder approval, by way of ordinary resolution, for the issue and allotment of up to 90,000 ordinary shares of the Company (if thought required by the Board) to Andrew Henderson Plummer, a director of the Company and a sophisticated or professional investor introduced to the Company by Austock.

Directors propose to issue and allot Tranche 3 Shares by way of placement within one month after the date of this EGM at \$1.10 per share.

The Directors emphasise that the issue of Tranche 3 Shares is at the absolute discretion of the Board, and that the Board is under no obligation to cause the Company to issue all or any Tranche 3 Shares.

Approvals required

ASX Listing Rule 10.11 requires that a listed company obtain the shareholder approval by ordinary resolution prior to the issue of securities (including shares) to a related party. ASX Listing Rule 7.1 also requires the approval by shareholders of the issue of the shares that would exceed 15% of the issued shares at the commencement of a 12 month period (see further regarding Resolution 1). ASX Listing Rule 10.13 sets out the relevant information requirements that are to be provided to Shareholders in this Explanatory Statement.

If Resolution 3 is passed, then the Tranche 3 Shares may be issued to Andrew Henderson Plummer.

Accordingly, approval for the issue of Tranche 3 Shares to Andrew Henderson Plummer is required pursuant to ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval is not required under ASX Listing Rule 7.1.

Details of Tranche 2 Shares

In compliance with ASX Listing Rule 10.13, the following information is provided.

Name of Person: Andrew Henderson Plummer, a director of the Company.

Maximum number of shares to be issued: 90,000.

Proposed date of issue of shares: Not later than 1 month after the date of this EGM.

Subscription Price: \$1.10 per share.

Terms of the securities: the issued shares are fully paid ordinary shares and are on the same terms as existing fully paid ordinary shares in the Company.

Use or intended use of the funds raised:

Funds raised will be directed to:

- Further advancing the Company's planned re-development of the King Island Scheelite mine in Tasmania, to re-commence tungsten production; and
- For working capital to make the next steps in advancing toward finalization of feasibility studies, development applications and financial close.

VOTING AND REQUIRED MAJORITY

In accordance with the Corporations Act for the resolutions to be effective:

- (i). the resolutions must be passed at an Extraordinary General Meeting of which not less than 28 days written notice specifying the intention to propose the resolutions has been given (satisfied by this Notice);
- (ii). in the case of ordinary resolutions must be passed by more than 50% of all the votes cast by Shareholders present and entitled to vote on the resolutions (whether in person or by proxy, attorney or representative); and
- (iii). in the case of special resolutions must be passed by not less than 75% of all the votes cast by Shareholders present and entitled to vote on the resolutions (whether in person or by proxy, attorney or representative).

On a show of hands every Shareholder has one vote, and on a poll, every Shareholder has one vote for each fully paid Share.

DEFINITIONS

For the purposes of this Explanatory Statement and the Notice of Extraordinary General Meeting the following definitions apply unless the context requires otherwise.

ASX means Australian Stock Exchange Limited ABN 98 008 624 691.

ASX Listing Rules mean the Official Listing Rules of the ASX.

Austock means Austock Corporate Finance Limited ABN 26 101 074 015, lead manager to the Placement.

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

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean directors of the Company.

EGM means the extraordinary general meeting to be held at **10 am on 2 March 2007** and notified to the Company's Shareholders by the Notice.

Explanatory Statement means this explanatory statement.

Issued Shares means the total number of ordinary fully paid shares currently on issue, being 35,970,026.

Notice means this notice incorporating the Explanatory Statement.

Placement means the placement of fully paid ordinary shares to a limited number of institutions and other exempt investors in accordance with Chapter 6D of the Corporations Act and with the terms of the placement arranged by Austock and announced to the ASX on 11 December 2006.

Resolutions means the resolutions proposed in the Notice.

Section 708A Notice means a notice pursuant to section 708A(5)(e) of the Corporations Act issued to the ASX by the Company on 18 December 2006, in compliance with part of the requirements for the relief provided under section 708A.

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

The Glen Rural Pty Ltd means The Glen Rural Pty Ltd ABN 16 064 038 437, a company in which a director of the Company, Anthony James Haggarty, holds a relevant interest.

Tranche 1 Shares means 3,179,364 fully paid ordinary shares in the capital of the Company issued and allotted on 18 December 2006 for \$1.10 each to sophisticated or professional investors introduced to the Company by Austock, pursuant to the Placement.

Tranche 2 Shares means up to 367,000 fully paid ordinary shares in the capital of the Company proposed to be issued and allotted to The Glen Rural Pty Ltd, a sophisticated or professional investor introduced to the Company by Austock, within 1 month of the EGM for \$1.10 each, pursuant to the Placement.

Tranche 3 Shares means up to 90,000 fully paid ordinary shares in the capital of the Company proposed to be issued and allotted to Andrew Henderson Plummer, a director of the Company and a sophisticated or professional investor introduced to the Company by Austock, within 1 month of the EGM for \$1.10 each, pursuant to the Placement.

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

THIS PAGE HAS BEEN LEFT BLANK INTENTIONALLY

King Island Scheelite Limited

ABN 40 004 681 734

Proxy Form

All correspondence to:

Computershare Investor Services Pty Limited
GPO Box D182 Perth
Western Australia 6840 Australia
Enquiries (within Australia) 1300 557 010
(outside Australia) 61 3 9415 4000
Facsimile 61 8 9323 2033
www.computershare.com

Mark this box with an 'X' if you have made any changes to your address details (see reverse)



000001
000
KIS
MR JOHN SMITH 1
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030



Securityholder Reference Number (SRN)

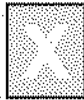


I 1234567890

IND

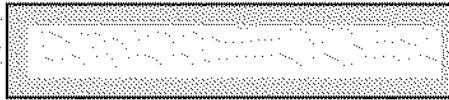
Appointment of Proxy

I/We being a member/s of King Island Scheelite Limited and entitled to attend and vote hereby appoint



the Chairman
of the Meeting
(mark with an 'X')

OR



If you are not appointing the Chairman of the Meeting as your proxy please write here the full name of the individual or body corporate (excluding the registered Securityholder) you are appointing as your proxy.

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the General Meeting of King Island Scheelite Limited to be held at Level 9, 1 York Street, Sydney NSW 2000 on 2 March 2007 at 10.00am (EST) and at any adjournment of that meeting.

IMPORTANT: FOR ITEMS 1, 2 AND 3 BELOW



If the Chairman of the Meeting is your nominated proxy, or may be appointed by default, and you have not directed your proxy how to vote on Items 1, 2 and 3 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of those items and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Items 1, 2 and 3 and your votes will not be counted in computing the required majority if a poll is called on these items. The Chairman of the Meeting intends to vote undirected proxies in favour of each of these items.

Voting directions to your proxy - please mark



to indicate your directions

- Item 1 Ratification of Previous Share Placement
- Item 2 Issue of Shares to an Associate of a Director Anthony James Haggarty
- Item 3 Issue of Shares to a Director Andrew Henderson Plummer

For Against Abstain*

	For	Against	Abstain*
Item 1	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 2	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Item 3	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

In addition to the intention advised above, the Chairman of the Meeting intends to vote undirected proxies in favour of each of the other items of business.

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

Appointing a second Proxy

I/We wish to appoint a second proxy



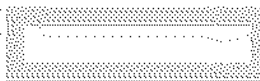
Mark with an 'X' if you wish to appoint a second proxy.

AND



%

OR



State the percentage of your voting rights or the number of securities for this Proxy Form.

PLEASE SIGN HERE

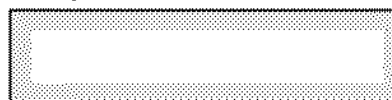
This section *must* be signed in accordance with the instructions overleaf to enable your directions to be implemented.

Individual or Securityholder 1



Individual/Sole Director and
Sole Company Secretary

Securityholder 2



Director

Securityholder 3



Director/Company Secretary

In addition to signing the Proxy form in the above box(es) please provide the information below in case we need to contact you.

Contact Name

Contact Daytime Telephone

Date

/ /

K I S

5 P R



How to complete the Proxy Form

1 Your Address

This is your address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker (in which case your reference number overleaf will commence with an 'x') should advise your broker of any changes. **Please note, you cannot change ownership of your securities using this form.**

2 Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the individual or body corporate you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the full name of that individual or body corporate in the space provided. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company. Do not write the name of the issuer company or the registered securityholder in the space.

3 Votes on Items of Business

You may direct your proxy how to vote by placing a mark in one of the three boxes opposite each item of business. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of securities you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

4 Appointment of a Second Proxy

You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- indicate that you wish to appoint a second proxy by marking the box.
- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- return both forms together in the same envelope.

5 Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of a corporate Securityholder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry or at www.computershare.com.

Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below no later than 48 hours before the commencement of the meeting at 10.00am (EST) on 2 March 2007. Any Proxy Form received after that time will not be valid for the scheduled meeting.

Documents may be lodged:

- IN PERSON Registered Office - Level 9, 1 York Street, SYDNEY NSW 2000 AUSTRALIA
- BY MAIL Registered Office - GPO Box 5154, 1 York Street, SYDNEY NSW 2001 AUSTRALIA
- BY FAX 61 2 9241 6953