



25 June 2007

**King Island Scheelite Ltd (KIS)
King Island Scheelite Mine Redevelopment Project
Update of Feasibility Study and Status**

In October 2006 KIS announced the completion of the Feasibility Study to redevelop the King Island Scheelite mine. The start-up capital costs at that time were estimated to be A\$85 million.

Following finalisation of design of the process plant, together with recognition of the significant cost increases that have occurred in the construction of mining projects in Australia over the past year, KIS has revised the capital cost estimate upwards to A\$95 million. This amount includes the purchase of mining equipment, construction of the process plant and the cut off wall, provision of infrastructure including power, access roads and earthworks. This estimate also includes EPCM (Engineering, Procurement, and Construction Management) costs and other project overheads.

In October, KIS also announced an indicative cash operating cost per mtu (1 metric ton unit equals 10 kilograms) in the range of A\$85 to A\$100. Current estimates of costs are towards the upper end of this range.

As announced earlier this month, KIS has now received all requisite regulatory approvals and is now in a position to commence re-development of the King Island mine following the conclusion of funding arrangements. KIS and Hunan Nonferrous Metals (HNC) are progressing discussions in this regard.

For additional information about King Island Scheelite please visit the company's website – www.kingislandscheelite.com.au

For further information, please contact:

Nick Lambeth
Chief Executive Officer
King Island Scheelite Limited
Tel: (03) 63316053
0447 385515

Kate Kerrison
Kate Kerrison + Company
Tel: 0413 946 704
(02) 6746 3221
Email: kate@katekerrison.com.au