

Allens Arthur Robinson



Date 19 September 2008

ABN 47 702 595 758

Page 1 of 5

Deutsche Bank Place
Corner Hunter and Phillip Streets
Sydney NSW 2000

From Alex Ding / Emma Leske

Australia

To **Company Announcements Office**, Australian
Securities Exchange, Sydney

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Fax +61 2 9230 5333

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Sydney NSW 2001
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DX 105 Sydney

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Fax enquiries ring +61 2 9230 4631

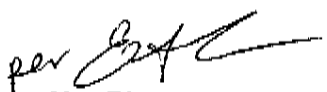
Dear Sir/Madam

Hunan Nonferrous Metals Corporation Limited – Notice of change of interests of substantial holder in relation to King Island Scheelite Limited (ASX Code: KIS)

We act for Hunan Nonferrous Metals Corporation Limited (*HNC*).

In accordance with section 671B(1) of the Corporations Act, on behalf of HNC, we attach a copy of a notice of change of interests of substantial holder in relation to King Island Scheelite Limited dated 19 September 2008.

Regards

per 

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Our Ref AHDS:205826895

ewlm A0111132796v1 205826895 19.9.2008

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Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme King Island Scheelite Limited

ACN/ARSN 004 681 734

1. Details of substantial holder (1)

This notice is given by Hunan Nonferrous Metals Corporation Limited (*HNC*) on its own behalf and on behalf of:

- Name
- each of its controlled entities (*HNC Controlled Entities*) as named in Annexure A;
 - Hunan Nonferrous Metals Holding Group Co., Ltd (*HNG*); and
 - State-owned Assets Supervision and Administration Commission, Hunan Province Office (*SASACHP*)

ACN/ARSN (if applicable) N/A

There was a change in the interests of the substantial holder on

17/9/08

The previous notice was given to the company on

18/9/08

The previous notice was dated

18/9/08

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Fully Paid Ordinary Shares (<i>KIS Shares</i>)	4,450,000	10.01%	4,450,000	7.36% (based on 60,465,001 <i>KIS Shares</i> on issue)

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
17/9/08	HNC and each other person named in section 4.	Dilution arising from issue of 16,000,000 <i>KIS Shares</i> to third parties.			

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
HNC	HNC	HNC	Holder of securities	4,450,000 <i>KIS Shares</i>	4,450,000
HNG	HNC	HNC	Taken under s608(3)(b) of the Corporations Act to have a relevant interest in the <i>KIS Shares</i> in which HNC has a relevant interest, by virtue of having control of HNC	4,450,000 <i>KIS Shares</i>	4,450,000

SASACHIP	HNC	HNC	<p>Taken under s608(3)(b) of the Corporations Act to have a relevant interest in the KIS Shares in which HNC has a relevant interest, by virtue of having control of HNC which in turn controls HNC</p>	4,450,000 KIS Shares	4,450,000
Each of the HNC Controlled Entities named in Annexure A.	HNC	HNC	<p>Taken under s608(3)(a) of the Corporations Act to have a relevant interest in the KIS Shares in which HNC has a relevant interest, by virtue of:</p> <ul style="list-style-type: none"> ▪ HNC being an associate of each HNC Controlled Entity pursuant to s12(2)(a) of the Corporations Act, as if indirectly controls each of those entities; and ▪ HNC having control of, and a relevant interest of more than 20% of the voting shares in, HNC 	4,450,000 KIS Shares	4,450,000

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5. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:

Name and ACN/ARSN (if applicable)	Nature of association
N/A	

6. Addresses

The addresses of persons named in this form are as follows:

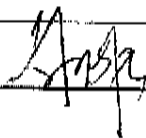
Name	Address
HNC	No. 342 L aodong West Road, Changsha, Hunan Province, People's Republic of China 410015
HNG	No. 342 L aodong West Road, Changsha, Hunan Province, People's Republic of China 410015
SASACHP	No. 351 Wuyi Avenue, Changsha City, Hunan, People's Republic of China
Each of the HNC Controlled Entities	See Annexure A

Signature

print name Zeng Shao Xiong

capacity

sign here



date 19/9/08

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement certifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (indicating clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisitions, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

Annexure A

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This is Annexure A of 1 page referred to in the Form
604 Notice of change of interests of substantial holder

Signed by me and dated 19 September 2008

曾少雄, Director

Controlled Entities of Hunan Nonferrous Metals Corporation Limited

Domicile	Controlled entities	% Owned/Interest		Address
		Direct	Indirect	
Mainland China	Zhuzhou Cemented Carbides Group Corp., Ltd.	99.28%		Non-ferrous Tower A, No. 342 Laodong West Road, Changsha, Hunan Province, People's Republic of China 410015
Mainland China	Zhuzhou Smelter Group Co., Ltd.	83.31%		As above
Mainland China	Hsikwangshan Twinkling Star Antimony Co., Ltd.	100%		As above
Mainland China	Hunan Shizhuyuan Nonferrous Metals Co., Ltd.	79%		As above
Mainland China	Hunan Zhuye Torch Metals Co., Ltd.	3.28%	27.92%	As above
Mainland China	Shanghai Jinhujie Metals Ltd.		31.20%	As above
Mainland China	Foshan CityNanhai Jinhujie Metals Ltd.		31.20%	As above
Mainland China	Chenzhou Huoju Kuangye Ltd.		31.20%	As above
Mainland China	Hunan Zhuye Torch Metals Import and Export Company Limited		31.20%	As above
Hong Kong	Torch Metals Limited		28.84%	Room 1705, 17 th Floor, Jubilee Centre, No. 46, Gloucester Road, Wan Chai, Hong Kong
Hong Kong	Torch Zinc Limited		28.08%	As above
Mainland China	Zhuzhou Quanxin Industry Co., Ltd.		58.29%	As above
Mainland China	Shanghai Zhuye Nonferrous Metals Co., Ltd.		28.08%	As above
Mainland China	Foshan CityNanhai Zhuye Nonferrous Metals Co., Ltd.		28.08%	As above
Mainland China	ZCC Import and Export Company Limited		99.24%	As above
Mainland China	Hunan Diamond Sintered Carbide Tools Company Limited		26.75%	As above
Mainland China	Chenzhou Diamond Tungsten Products Company Limited		98.51%	As above
Mainland China	Shenzhen Jinzhou Jinggong Scientific and Technological Company Limited		49.64%	As above
Mainland China	Zhuzhou Diamond Cutting Tools Company Limited		41.90%	As above
Australia	HNC (Australia) Resources Holding Pty Ltd (ACN 124 647 534)	100%		Suite 808, 99 Bathurst Street, Sydney NSW 2000 Australia
Australia	HNC (Australia) Resources Pty Ltd (ACN 124 647 629)		100%	As above
Australia	HNC (Australia) Scheffite Pty Limited (ACN 128 913 271)		100%	As above