



22nd July 2010

KING ISLAND SCHEELITE LIMITED ("KIS")

ANOTHER COPPER-GOLD INTERSECTION AT ROARING 41 SOUTH (R41S) NEAR BALFOUR, TASMANIA

The Balfour Joint Venture (BJV) has intersected magnetite, copper and gold mineralisation in altered and fractured / vein-filled rocks at the apex of a discrete coincident gravity and magnetic susceptibility anomaly in the Proterozoic Rocky Cape Group. See **Figure 1** for location.

A ground magnetometer survey successfully confirmed the aeromagnetic feature and provided the required detail to delineate the source area of greatest magnetic susceptibility (As shown in **Figures 2 & 3**). The first hole intersected magnetite, copper and gold mineralisation. The second hole intersected copper and gold mineralisation.

Results from these first two exploratory diamond drill holes are as follows;

R41S - 01: 5m @ 0.9% Cu, 0.1g/t Au / magnetite-copper-gold mineralisation with chlorite alteration

R41S - 02: 1m @ 0.5% Cu, 0.1g/t Au / copper-gold mineralisation in quartz-carbonate-sulphide veining

Refer **Table 1** for detailed results.

These initial results support magnetite-copper-gold mineralisation associated with a coincident gravity and magnetic susceptibility anomaly in Proterozoic rocks at the R41S target. This target represents a new mineralisation association for north-western Tasmania.

The BJV is reviewing the next steps, likely to include down-hole geophysics ahead of further drilling.

For further information see "Investor Update" presentation available on the company's website www.kingislandscheelite.com.au or contact us directly.

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Table 1. BJV drill hole details.

R41S - 01

317,965mE 5,435,585mN 165RL Azimuth 205° Dip -55° Depth 251.2m

Best intersection includes:
54.0 - 59.0m 5.0m @ 0.9% Cu and 0.1 g/t Au

R41S - 02

317,880mE 5,435,460mN 172RL Azimuth 25° Dip -60° Depth 259.1m

Best intersection includes:
207.0 - 208.0m 1.0m @ 0.5% Cu and 0.1 g/t Au

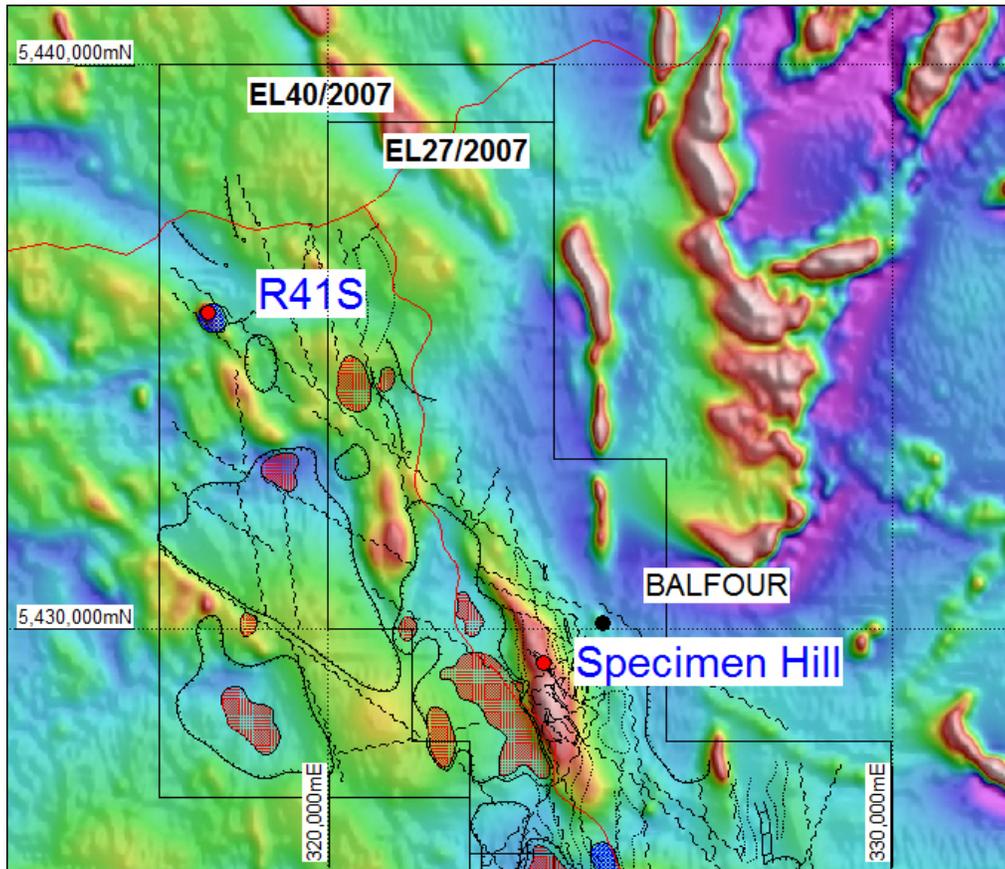
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BALFOUR JOINT VENTURE

An unincorporated joint venture
to explore for tin and tungsten
in north west Tasmania



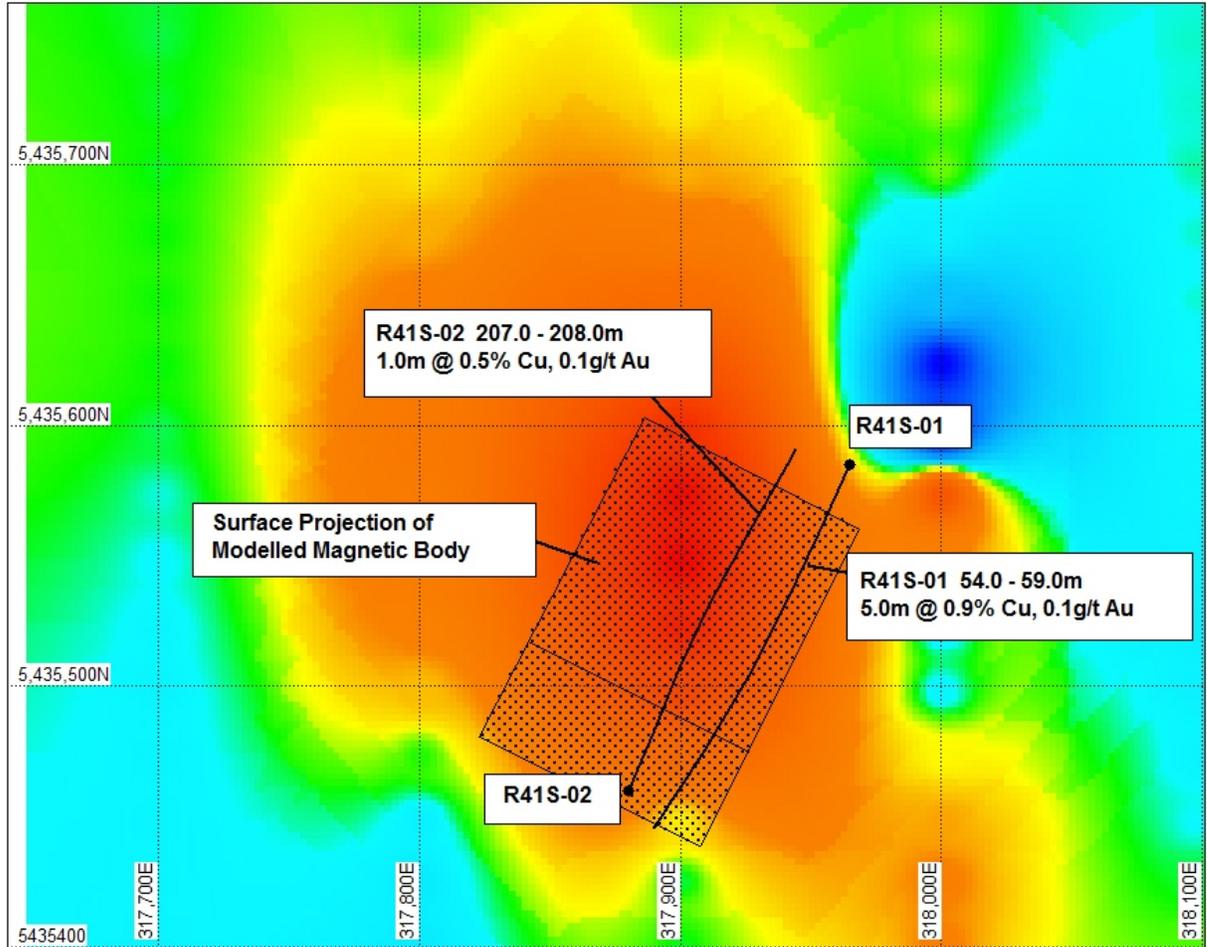
Figure 1. R41S location relative to the historic township of Balfour and the Specimen Hill tin-tungsten prospect... The total magnetic intensity is represented by the 3D colour image with the gravity interpretation superimposed. The image demonstrates the prominent coincident gravity-magnetic high, now demonstrated by the BJV to be associated with magnetite-copper-gold mineralisation.



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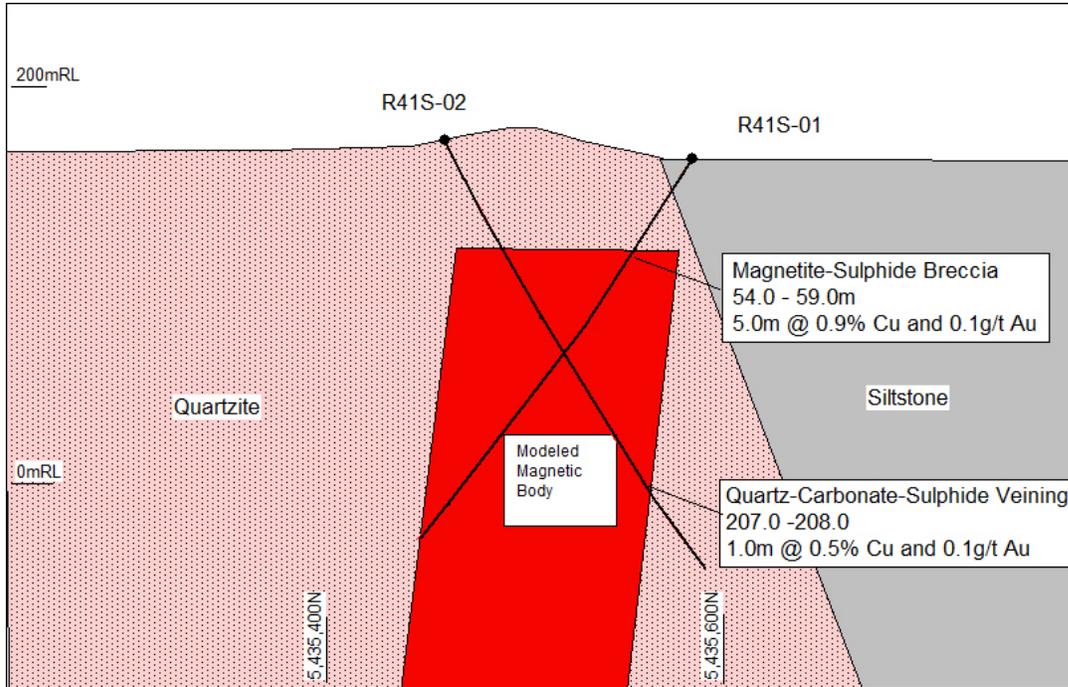
Figure 2. R41S drill hole locations superimposed on a plan of the magnetic susceptibility. Note the steep SSW plunging modelled magnetic body...



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Figure 3. Drill holes projected onto cross section 317,900E. The modelled magnetic body, interpreted to contain 10% magnetite, is a rectangular cuboid plunging steeply SSW. The depth to which this body extends is not established but it is likely linked to the deep and coincident gravity body.



The information in this report that relates to Exploration results is based on information compiled by Mr. Tim Callaghan, who is a member of the Australian Institute of Mining and Metallurgy, and has sufficient experience in the style of mineralisation and the activity undertaken to qualify as a competent person as defined in the 2004 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" Mr. Callaghan consents to the inclusion in this report on the matters based on his information in the form and context in which it appears.