



21 January 2011

Companies Announcements Office  
Australian Securities Exchange  
20 Bridge Street  
SYDNEY NSW 2000

**UPDATE OF EXPECTED RESULTS FOR THE HALF YEAR ENDED 31<sup>ST</sup> DECEMBER 2010**

King Island Scheelite Limited (**KIS**) provides details of its expected results for the half- year ended 31<sup>st</sup> December 2010.

As announced on 19<sup>th</sup> October 2010, Hunan Non-Ferrous Metals Corporation (HNC) and KIS agreed to terminate their Dolphin Joint Venture. This agreement included that HNC's loan to the KIS Group for project funding will be forgiven. As further announced on 20<sup>th</sup> December 2010, these termination agreements have now been executed and the HNC loan forgiven.

A non-cash book profit of \$1.9 million (2009 \$Nil) for this debt forgiveness has been recorded in the KIS internal management accounts and, based on these accounts, the (unaudited) result for the half year ended 31<sup>st</sup> December 2010 is expected to total approximately \$1.5 million profit (2009 \$0.3 million loss).

While these expected results remain subject to review by our auditor the Board do not anticipate material changes.

Financial information required to be provided under ASX Listing Rule 4.2A is being prepared and we anticipate the financial statements will be available to the market by 16<sup>th</sup> March 2011.

For further information please call:

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