



**ASX RELEASE**

**11<sup>th</sup> March 2011**

**King Island Scheelite Limited to raise approximately \$4,054,294**

King Island Scheelite Limited (**KIS**) is pleased to announce a capital raising through a 1:4 renounceable rights issue to eligible shareholders of ordinary shares in KIS (**Offer**). The Offer is up to 75% underwritten and will raise approximately \$4,054,294.

The proceeds of the Offer will be primarily be used to complete the Dolphin Tailings Definitive Feasibility Study, amend approvals and acquire Dolphin Project land, and drill Dolphin South.

**Offer Summary**

Under the Offer, eligible shareholders will be able to subscribe for one (1) new ordinary share in KIS for every four (4) existing shares held at the record date, on 22<sup>nd</sup> March 2011, at an issue price of \$0.26 per share (**Entitlements**).

Patersons Securities Limited will be acting as lead manager and underwriter (in respect of up to \$3,040,856).

The Entitlements are renounceable which means that the rights may be traded on ASX or otherwise transferred if eligible shareholders do not wish to take up some or all of their Entitlements. Shareholders who take up their full Entitlement will be able to apply for additional shares at the same price, being \$0.26 per share.

The Offer will be open between Thursday 24<sup>th</sup> March 2011 and Thursday 7<sup>th</sup> April 2011.

Further details on the Offer, including how to participate, will be provided in an Information Booklet to be despatched to eligible shareholders on or about Thursday 24<sup>th</sup> March 2011. The Information Booklet has been lodged with ASX today and is available for review on ASX's website, [www.asx.com.au](http://www.asx.com.au).

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