12th July 2011

DOLPHIN PROJECT DRILLING UPDATE

The first diamond core drill hole into Dolphin South has been completed. KI 001 intersected scheelite (tungsten) mineralisation from 290.5m to 299m down-hole. Ultraviolet lamping of the core indicates the presence of fluorescent mineralisation in hosting skarn rocks. KI 001 continued on to intersect granite along a stoped contact at –325mRL. The drill hole was terminated at 336.3m down-hole.

TABLE 1. DRILL HOLE DETAILS.

Hole ID	East (ISG)	North (ISG)	RL	Azm	Dip	Length m
K001	220,240	563,770	10	0°	-90°	336.3m

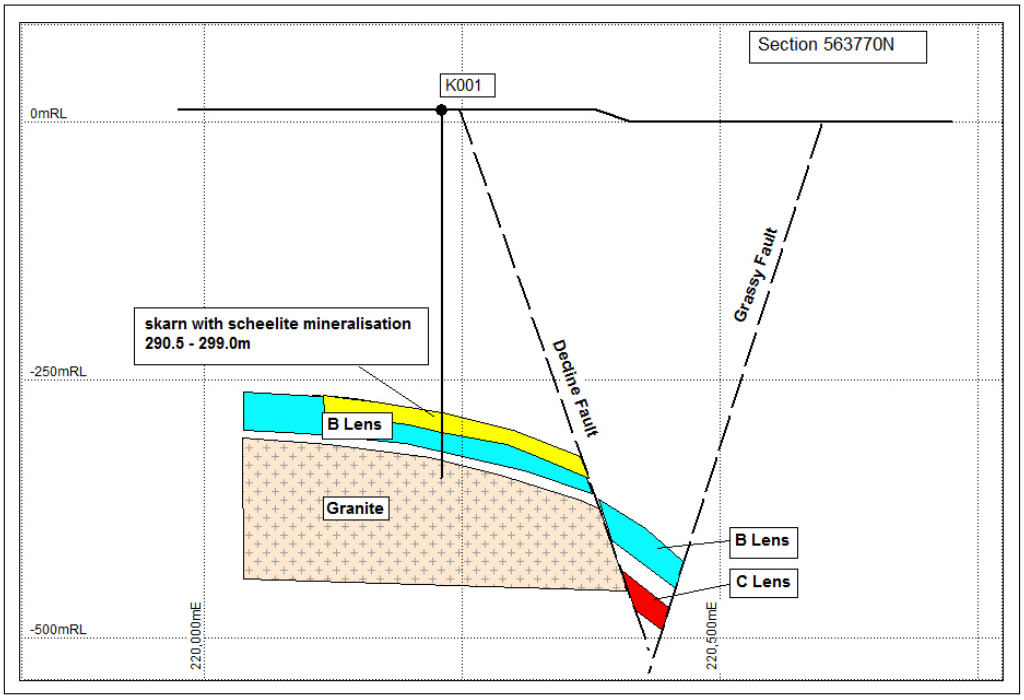

Figure 1. Drill Hole KI 001, Section 563770mN.

Core samples have been submitted for assaying. Results are pending.

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Drilling of the second diamond core hole, KI 002, has been delayed due to weather conditions which caused some minor damage to the drill rig. The rig is currently undergoing repairs and is expected to resume operations later this week.

KI 002 is part of an initial four-hole diamond core drilling programme designed to demonstrate continuation of high-grade scheelite mineralisation down-plunge from the former Dolphin underground workings.

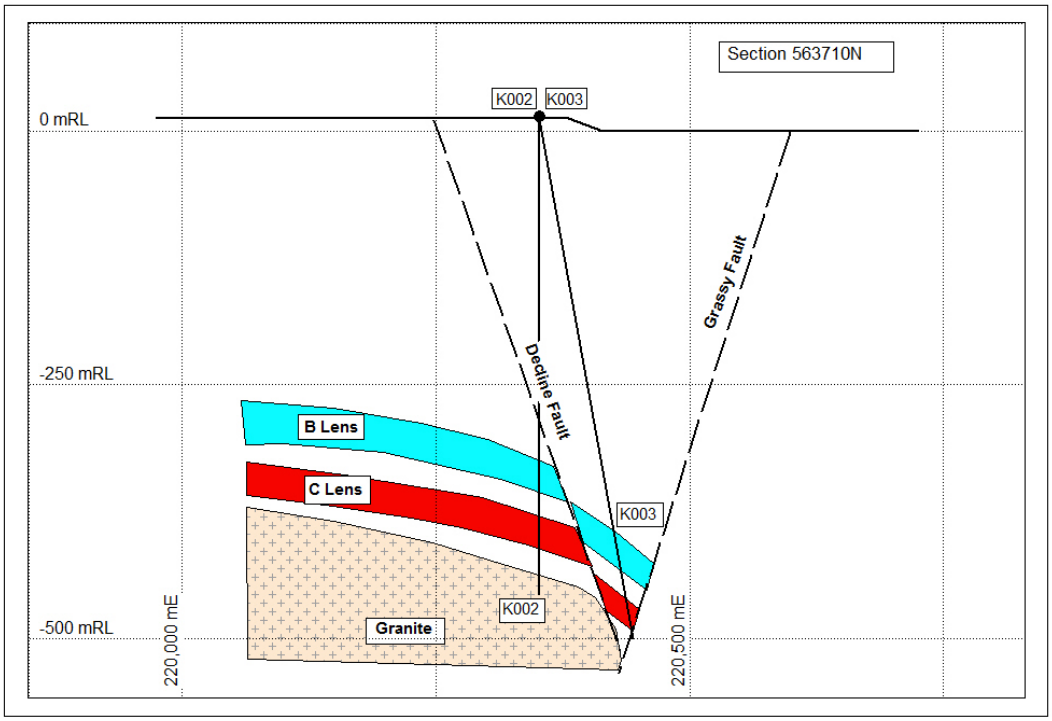

Figure 2. Proposed drill holes KI002 and KI003, Section 563710mN

For further information, please contact:

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Competent Persons Statement

The information within this report that relates to Exploration Results is based on information compiled by Mr Tim Callaghan who is a consultant geologist working for King Island Scheelite. Tim is a Member of the Australasian Institute of Mining and Metallurgy (AUSIMM) and has sufficient experience in the styles of mineralisation and types of deposits in consideration to qualify as a competent person according to the 2004 edition of the Australasian Code for reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code). He consents to the inclusion of this material in the form and context in which it appears in this report.