



ASX Announcement

ASX Code: KIS

21st November 2012

Chairman's address – Annual General Meeting 2012

Welcome to the 2012 Annual General Meeting for King Island Scheelite Limited.

My name is Robin Morritt. I am your Chairman for this meeting. With me are my fellow directors Mr Chris Ellis and Mr Simon Bird. Mr Bird is also the Company's CEO.

In attendance are Mr Ian Morgan, the Company Secretary and Mr Julian McPherson representing the Company's Auditor KPMG.

During this year the Company completed the Dolphin Project Definitive Feasibility Study and obtained the requisite environmental approvals for its development plan. This high-grade tungsten project is now 'development-ready' and can commence development immediately funding is secured. The mine will have the capacity to produce 350,000 tonnes of ore per year for 10 years with grades better than 1% tungsten tri-oxide. This production excludes potential ore from the nearby Bold Head resource and from retreated tailings. Any exploration success from the down-plunge continuation of the ore-grade horizon at Dolphin, or from nearby mineralised exploration targets, could further extend mine life.

Deterioration of equity markets and tungsten prices have significantly impeded efforts to secure necessary funding to put the Dolphin Project into production. Whilst the Board is confident improved market conditions will see the project advance it was clear the Company needed to respond to prevailing economic conditions. Cost reductions have been implemented to conserve cash and a small capital raising was undertaken to consolidate working capital.

The Balfour Joint Venture is located in north-western Tasmania. This exploration project has recently been granted a 12 month extension to undertake the next round of exploration for tin & tungsten and separately for copper & gold. Both targets are drill-ready. The Company has a 70% interest in this project.

The Company continues to seek funding for both the Dolphin and Balfour projects. It is also considering other options to advance its interests.

There have been changes to your Board of Directors during the course of 2012. Departures included Mr Li Li, Mr Andy Plummer and Mr Tony Haggarty. Coming onto the Board to fill casual vacancies are Mr Simon Bird and Mr Chris Ellis.

Mr Plummer and Mr Haggarty continue to be major shareholders.

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The Board plans to invite another person to join it and to take on the mantle of Chairman of the Board. Discussions with a suitably qualified and experienced candidate are currently underway.

This year has been difficult for the Company due to circumstances beyond its control. That said, the Dolphin Project distinguishes itself worldwide as a solitary high-grade tungsten deposit, development-ready and able to sustain a long mine life. The Company looks forward to improved market conditions and to developing this asset.

I would like to thank each and every King Island Scheelite Limited shareholder for your support of the Company.

We will now proceed to the formal order of business...

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