



NOTICE OF GENERAL MEETING

Notice is hereby given that the General Meeting of Shareholders of King Island Scheelite Limited ABN 40 004 681 734 (**Company**) will be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000 commencing 11.00AM AEST on Monday 3 May 2021.

Due to current government guidelines regarding COVID-19, persons proposing to attend the General Meeting in person are requested to contact the Company by email at kis@kisltd.com.au, at least 5 business days prior to the Meeting, so that appropriate arrangements can be made.

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Refer to the Explanatory Notes for further information on the proposed Resolutions.

Date: 23 March 2021

By order of the Board of King Island Scheelite Limited

Ian Morgan

Company Secretary

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1. ITEMS OF SPECIAL BUSINESS

1.1. RESOLUTION 1 – RATIFICATION OF PRIOR ISSUE OF SHARES (MORGAN)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 15 October 2020 of 128,100 Shares for \$0.05 per Share totalling \$6,405 to the Company’s Company Secretary, Ian Morgan, under ASX Listing Rule 7.1 and otherwise on the terms and conditions set out in the Explanatory Statement.”

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 1.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 1 by Ian Morgan, an Associate of Mr Morgan, or a person who participated in the issue or is a counterparty to the agreement being approved.

1.1. RESOLUTION 2 – RATIFICATION OF PRIOR ISSUE OF SHARES (MURCOTT)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 15 October 2020 of 200,000 Shares for \$0.05 per Share totalling \$10,000 to the Company’s General Manager of Project Development and Operations, Charles Murcott, under ASX Listing Rule 7.1 and otherwise on the terms and conditions set out in the Explanatory Statement.”

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 2.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 2 by Charles Murcott, an Associate of Mr Murcott, or a person who participated in the issue or is a counterparty to the agreement being approved.

1.2. RESOLUTION 3 – RATIFICATION OF PRIOR ISSUE OF SHARES (NEW INSIGHTS)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 9 February 2021 of 1,272,880 Shares for \$0.043 rounded per Share totalling \$55,000 to New Insights under ASX Listing Rule 7.1 and otherwise on the terms and conditions set out in the Explanatory Statement.”

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 3.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 3 by New Insights, an Associate of New Insights, or a person who participated in the issue or is a counterparty to the agreement being approved.

1.1. RESOLUTION 4 – RATIFICATION OF PRIOR ISSUE OF OPTIONS (MAC EQUITY)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 9 February 2021 of 3,872,000 Quoted Options (strike price \$0.10 expiring 1 August 2021) for no consideration, being for services rendered, under ASX Listing Rule 7.1 and otherwise on the terms and conditions set out in the Explanatory Statement.”

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 4.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 4 by Mac Equity, an Associate of Mac Equity, or a person who participated in the issue or is a counterparty to the agreement being approved.

1.1. RESOLUTION 5 – RATIFICATION OF PRIOR ISSUE OF SHARES TO UNRELATED PERSONS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue on 22 March 2021 of 28,000,000 Shares for \$0.20 per Share totalling \$5,600,000 to various unrelated sophisticated and professional investors under ASX Listing Rule 7.1 and otherwise on the terms and conditions set out in the Explanatory Statement.”

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 5.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 5 by or on behalf of any person who participated in the issue of the Shares, any Associate of those persons, or a person who participated in the issue or is a counterparty to the agreement being approved.

1.2. RESOLUTION 6 – APPROVAL TO ISSUE EQUITY SECURITIES (ABEX)

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.1 and all other purposes, Shareholders approve the proposed issue of 9,090,909 Shares at an issue price of \$0.055 per Share and 4,545,454 Quoted Options (strike price \$0.10 expiring 1 August 2021), being one (1) free attaching Quoted Option for every two (2) new Shares to be issued to Abex Resource Holdings and otherwise on the terms and conditions set out in the Explanatory Memorandum.”

The Chairman of the Meeting intends to vote all available proxies in favour of Resolution 6.

Voting Exclusion Statement: The Company will disregard any votes cast in favour of Resolution 6 by or on behalf of Abex Resources Holdings, Mr Richard Chadwick and Mrs Gwenda Chadwick (or their nominee) and any other person who is expected to

participate in, or who will obtain a material benefit as a result of, the proposed issue the subject of the Resolution 6 (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an Associate of those persons.

2. VOTING EXCLUSION STATEMENTS

Each Voting Exclusion Statement that applies to a Resolution, as noted in the Notice, does not apply to a vote cast in favour of that Resolution by:

- (a) a person as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with the directions given to the proxy or attorney to vote on the Resolution in that way; or
- (b) the chair of the meeting as proxy or attorney for a person who is entitled to vote on the Resolution, in accordance with a direction given to the chair to vote on the Resolution as the chair decides; or
- (c) a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
- (d) the beneficiary provides written confirmation to the holder that the beneficiary is not excluded from voting, and is not an associate of a person excluded from voting, on the Resolution; and
- (e) the holder votes on the Resolution in accordance with directions given by the beneficiary to the holder to vote in that way.

3. VOTING RIGHTS AND PROXIES

- (a) A member who is entitled to attend and vote at the meeting has a right to appoint a proxy.
- (b) This appointment may specify the proportion or number of votes that the proxy may exercise.
- (c) The proxy need not be a member of the Company.
- (d) A member who is entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes that each proxy is appointed to exercise. If the member appoints two proxies and the appointment does not specify the proportion or number of the member's votes that each proxy may exercise, each proxy may exercise half of the votes.

4. VENUE AND VOTING INFORMATION

The General Meeting of the Shareholders to which this Notice of Meeting relates will be held at 11.00AM AEST (AEST) on Monday 3 May 2021 at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000.

4.1. YOUR VOTE IS IMPORTANT

The business of the General Meeting affects your shareholding and your vote is important.

4.2. VOTING AT THE MEETING

Given the status of the global COVID-19 pandemic the Company strongly advises its Shareholders not to attend the meeting in person.

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Shareholders are therefore strongly encouraged to submit their votes by proxy (see “Voting by proxy” section below) for their votes to be counted.

To register your interest in attending the meeting in person please send an email to kis@kisltd.com.au.

4.3. VOTING BY PROXY

A proxy form is attached. You may exercise your right to vote at the meeting either by being present in person or by appointing a proxy to attend and vote in your place. You may appoint either an individual or a body corporate as your proxy. A proxy need not be a member of the Company. A proxy form must be signed by the Shareholders or the Shareholder’s attorney. Proxies given by corporations must be signed either under seal or in accordance with the Constitution of the Company. The Proxy Form and the power of attorney or other authority (if any) under which it is signed (or a certified copy of the power of attorney or authority) must be received not later than 48 hours before the time for holding the meeting

Completed and signed proxies must be sent by:

- Hand delivery to the Company’s registered office at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000;
- Scanning and emailing to kis@kisltd.com.au; or
- Posting to King Island Scheelite Limited, GPO Box 5154 Sydney NSW 2001

so that it is received not later than 11.00AM AEST, Saturday 1 May 2021.

Your Proxy instruction must be received not later than 48 hours before the commencement of the Meeting. To facilitate the conduct of the meeting during this pandemic, you are strongly encouraged to nominate the chairman of the meeting as your proxy. Proxy Forms received later than this time will be invalid.

4.4. POWER OF ATTORNEY

If the proxy form is signed under a power of attorney on behalf of a shareholder, then the attorney must make sure that either the original power of attorney or a certified copy is sent with the proxy form, unless the power of attorney has already provided it to the Share Registry.

4.5. CORPORATE REPRESENTATIVES

If a representative of a corporate shareholder or a corporate proxy will be attending the General Meeting, the representative must have readily available adequate evidence of their appointment, unless this has previously been provided to Computershare Investor Services Pty Limited.

5. HOW THE CHAIRMAN OF THE MEETING WILL VOTE UNDIRECTED PROXIES

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

6. DATE FOR DETERMINING HOLDERS OF SHARES

For the purposes of regulation 7.11.37 of the Corporations Act and ASX Settlement Operating Rule 5.6.1, the Directors have set end of day on Thursday 29 April 2021 as the

time and date to determine holders of the Company's ordinary fully paid shares for the purposes of determining entitlements to attend and vote at the General Meeting.

Share transfers registered after that deadline will be disregarded in determining entitlements to attend and vote at the General Meeting.

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7. EXPLANATORY NOTES

These Explanatory Notes are provided to the Shareholders of the Company to explain the Resolutions to be put to Shareholders at the General Meeting to be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000 commencing 11.00AM AEST Monday 3 May 2021.

The Board recommends that Shareholders read the accompanying Notice and these Explanatory Notes in full before making any decision in relation to the Resolutions.

7.1. RESOLUTIONS 1 TO 5 INCLUSIVE

7.1.1. BACKGROUND

7.1.1.1. LISTING RULE 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more Equity Securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period (**Placement Capacity**).

The issues of securities in the Company in the past 12 months were within the 15% limit imposed by Listing Rule 7.1.

The Company seeks ratification of prior issues to refresh the Company's Placement Capacity to issue further Equity Securities under Listing Rule 7.1.

If Shareholders approve Resolutions 1 to 5 inclusive, they will have ratified the issues of the Shares, and the issues of the Shares will no longer use up a portion of the Company's Placement Capacity, meaning the Company will have an increased ability to issue Equity Securities without seeking Shareholder approval.

If Shareholders do not approve Resolutions 1 to 5 inclusive, the issues of the Shares will continue to use up a portion of the Company's current Placement Capacity until that date that is 12 months from their dates of issues, and the Company will therefore have a reduced ability to issue Equity Securities without seeking Shareholder approval until that time.

Assuming there are no further issues of Equity Securities under Listing Rule 7.1 until the date of the Meeting, if Shareholders vote in favour of Resolutions 1 to 5 inclusive below, the Company's capacity to issue Equity Securities without approval under Listing Rule 7.1 will be increased by approximately 37,913,127 Equity Securities to 39,893,932 Equity Securities as at the date of the Meeting.

7.1.1.2. LISTING RULE 7.1A

ASX Listing Rule 7.1A enables eligible entities to issue Equity Securities, of up to 10% of its issued share capital on issue at the commencement of the relevant period being:

- (a) If the eligible entity has been admitted to the ASX's official list for 12 months or more, the 12-month period before the issue date or date of agreement to issue; or
- (b) If the eligible entity has been admitted to the ASX's official list less than 12 months, the period from the date the entity was admitted to the ASX official list to the date immediately preceding the date of the issue or agreement (Relevant Period),

through placements over the Relevant Period after the annual general meeting (**10% Placement Facility**).

The 10% Placement Facility is in addition to the Company's 15% placement capacity under ASX Listing Rule 7.1.

The ability to issue Equity Securities under the 10% Placement Facility is subject to shareholder approval by way of a special resolution at an annual general meeting.

At the Company's last annual general meeting held on 8 January 2021, Shareholders approved the 10% Placement Facility for the Relevant Period (12 months commencing 8 January 2021)

Since 8 January 2021, the Company did not issue any Equity Securities under Listing Rule 7.1A.

Assuming Resolutions 1 to 5 inclusive are passed and there are no issues of Equity Securities under Listing Rule 7.1A until the date of the Meeting, the Company's capacity to issue Equity Securities without approval under Listing Rule 7.1A will be increased by approximately 2,960,098 Equity Securities to 35,686,864 Equity Securities as at the date of the Meeting.

7.1.1.3. LISTING RULE 7.4

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

7.1.1.4. SUMMARY OF EQUITY SECURITIES ISSUED DURING THE PREVIOUS 12 MONTHS

Below is a summary of Equity Securities issued by the Company during the 12 months prior to the Notice, which are the subject of Resolutions 1 to 6 inclusive:

Table 1

	Date Issued/Expired	Resolution	Shares	Quoted Options	Unquoted Options	Total	Percentage of Shares on an undiluted basis	Percentage of Shares on a fully diluted basis
			Number	Number	Number	Number	%	%
Equity Securities on issue 12 months prior to the Notice			264,381,303	15,580,737	16,000,000	295,962,040		
Equity Securities issued during 12 months prior to the Notice								
Fees in lieu of cash paid to the Company's Company Secretary	15 Oct 2020	1	128,100	-	-	128,100		
Fees in lieu of cash paid to the Company's General Manager of Project Development and Operations	15 Oct 2020	2	200,000	-	-	200,000		
Cash placement (Tranche 1)	2 Nov 2020		39,327,271	-	-	39,327,271		
Expiry of Unquoted Options	31 Dec 2020		-	-	(4,000,000)	(4,000,000)		
Lead Manager Options	3 Feb 2021		-	8,000,000	-	8,000,000		
Cash placement (Tranche 2)	4 Feb 2021		7,363,638	23,345,446		30,709,084		
Issue of Performance Options	5 Feb 2021		-	-	21,000,000	21,000,000		
Fees in lieu of cash paid to the New Insights as a retainer to provide government liaison consultation	9 Feb 2021	3	1,272,880	-	-	1,272,880		
Fees in lieu of cash paid to Mac Equity as a retainer for corporate promotion	9 Feb 2021	4	-	3,872,000	-	3,872,000		

	Date Issued/Expired	Resolution	Shares	Quoted Options	Unquoted Options	Total	Percentage of Shares on an undiluted basis	Percentage of Shares on a fully diluted basis
Unlisted options exercised by related party (Johann Jacobs)	10 Feb 2021		1,625,000	-	(1,625,000)	-		
	16 Feb 2021 to							
Exercise of Quoted Options	17 Mar 2021		14,570,443	(14,570,443)		-		
Cash placement	22 Mar 2021	5	28-,000,000			28,000,000		
Equity Securities on issue at the date of the Notice			356,868,635	36,227,740	31,375,000	424,471,375	97.52%	96.89%
Issue of Equity Securities to repay the Company's Abex loan		6	9,090,909	4,545,454	-	13,636,363	2.48%	3.11%
Equity Securities on issue assuming Resolutions 1 to 6 inclusive are approved			365,959,544	40,773,194	31,375,000	438,107,738	100.00%	100.00%

7.1.2. RESOLUTION 1

On 15 October 2020, the Company issued 128,100 Shares for \$0.05 per Share to the Company's Company Secretary in lieu of cash for services provided to the Company.

Resolution 1 seeks ratification under Listing Rule 7.4 of the issue of the issue of 128,100 Shares using the Company's Listing Rule 7.1 capacity.

The following information, in Table 2 below, in relation to the Shares the subject of Resolution 1 is provided to Shareholders in accordance with Listing Rule 7.5:

Table 2

Information Required pursuant to ASX Listing Rule 7.5	Information
Names of the persons to whom the securities were issued or the basis on which those persons were identified or selected	Ian Morgan
The number and class of securities issued	128,100 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Date by which the securities were issued	The Shares were issued on 15 October 2020.
Issue price	\$0.05 per Share.
The use (or intended use) of the funds raised	The purpose of the issue of the Shares was in lieu of cash for company secretarial services provided by Ian Morgan to the Company.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The Shares were issued in lieu of cash for company secretarial services provided by Ian Morgan to the Company.
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 1.

Recommendation

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 1.

7.1.3. RESOLUTION 2

On 15 October 2020, the Company issued 200,000 Shares for \$0.05 per Share to the Company's General Manager of Project Development and Operations in lieu of cash for management services provided to the Company.

Resolution 2 seeks ratification under Listing Rule 7.4 of the issue of the issue of 200,000 Shares using the Company's Listing Rule 7.1 capacity.

The following information, in Table 3 below, in relation to the Shares the subject of Resolution 2 is provided to Shareholders in accordance with Listing Rule 7.5:

Table 3

Information Required pursuant to ASX Listing Rule 7.5	Information
Names of the persons to whom the securities were issued or the basis on which those persons were identified or selected	Charles Murcott
The number and class of securities issued	200,000 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Date by which the securities were issued	The Shares were issued on 15 October 2020.
Issue price	\$0.05 per Share.
The use (or intended use) of the funds raised	The purpose of the issue of the Shares was in lieu of cash for management services provided by Charles Murcott to the Company.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The Shares were issued in lieu of cash for management services provided by Charles Murcott to the Company.
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 2.

Recommendation

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 2.

7.1.4. RESOLUTION 3

On 9 February 2021, the Company issued 1,272,880 Shares for \$0.043 rounded per Share to the Company's advisor New Insights as a retainer in lieu of cash for management services provided to the Company.

Resolution 3 seeks ratification under Listing Rule 7.4 of the issue of the issue of 1,272,880 Shares using the Company's Listing Rule 7.1 capacity.

The following information, in Table 4 below, in relation to the Shares the subject of Resolution 3 is provided to Shareholders in accordance with Listing Rule 7.5:

Table 4

Information Required pursuant to ASX Listing Rule 7.5	Information
Names of the persons to whom the securities were issued or the basis on which those persons were identified or selected	New Insights
The number and class of securities issued	1,272,880 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
Date by which the securities were issued	The Shares were issued on 9 February 2021.
Issue price	\$0.043 rounded per Share (total \$55,000).
The use (or intended use) of the funds raised	The purpose of the issue of the Shares was in lieu of cash for a retainer for New Insights to provide government liaison consultation to the Company.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The Shares were issued in lieu of cash for a retainer for New Insights to provide government liaison consultation to the Company.
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 3.

Recommendation

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 3.

7.1.5. RESOLUTION 4

On 9 February 2021, the Company issued 3,872,000 Quoted Options for no consideration to the Company's advisor Mac Equity for corporate promotion services provided to the Company.

Resolution 4 seeks ratification under Listing Rule 7.4 of the issue of the issue of 3,872,000 Quoted Options using the Company's Listing Rule 7.1 capacity.

The following information, in Table 5 below, in relation to the Shares the subject of Resolution 4 is provided to Shareholders in accordance with Listing Rule 7.5:

Table 5

Information Required pursuant to ASX Listing Rule 7.5	Information
Names of the persons to whom the securities were issued or the basis on which those persons were identified or selected	Mac Equity and their nominees
The number and class of securities issued	3,872,000 Quoted Options were issued. The Quoted Options were all issued on the same terms and conditions as the Company's existing Quoted Options, providing the holder with the right to be issued one Share for every one option upon payment of the exercise price (A\$0.10 each option) until the expiry date (1 August 2021).
Date by which the securities were issued	The Quoted Options were issued on 9 February 2021.
Issue price	\$Nil
The use (or intended use) of the funds raised	The purpose of the issue of the Shares was in lieu of cash for Mac Equity to provide corporate promotion services to the Company.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The Shares were issued in lieu of cash for a retainer for Mac Equity to provide corporate promotion services to the Company.

Information Required pursuant to ASX Listing Rule 7.5	Information
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 4.

Recommendation

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 4.

7.1.6. RESOLUTION 5

On 22 March 2021, the Company issued 28,000,000 Shares for \$0.20 cash per Share to various sophisticated and professional investors. **(Placement)**

Resolution 5 seeks ratification under Listing Rule 7.4 of the issue of the issue of 28,000,000 Shares using the Company's Listing Rule 7.1 capacity.

The following information, in Table 6 below, in relation to the Shares the subject of Resolution 5 is provided to Shareholders in accordance with Listing Rule 7.5:

Table 6

Information Required pursuant to ASX Listing Rule 7.5	Information
Names of the persons to whom the securities were issued or the basis on which those persons were identified or selected	The Shares were issued to sophisticated and professional investors identified by Mac Equity as Lead Manager in consultation with the Directors. The process undertaken by Mac Equity was to be lead manager; manage the book build process; advise on structuring the offer; assist with a communications strategy in relation to the offer; and provide any other assistance requested by the Company in relation to the offer, as is customary and appropriate for a cash placement transaction of this type. None of the investors were a related party or existing substantial shareholder of the Company, or a person to whom an issue of Equity Securities required prior shareholder approval under Listing Rule 10.11.
The number and class of securities issued	28,000,000 Shares were issued. The Shares issued were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.

Information Required pursuant to ASX Listing Rule 7.5	Information
Date by which the securities were issued	The Shares were issued on 22 March 2021.
Issue price	\$0.20 cash per Share.
The use (or intended use) of the funds raised	The purpose of the issue of the Shares was optimisation of mine redevelopment, working capital to see the Company through to financial close and pay for costs of the Placement.
If the securities were or will be issued under an agreement, a summary of any other material terms of the agreement	The Shares were issued to subscribers to the Placement. Mac Equity was appointed Lead Manager in respect of the Placement. Mac Equity will receive a 4.25% capital fee plus a 1.75% line fee, totalling \$166,000 before GST.
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 5.

Recommendation

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 5.

7.2. RESOLUTION 6

7.2.1. BACKGROUND

Resolution 6 seeks approval to repay the Company's \$500,000 unsecured cash loan by Abex Resource Holdings with the issue of 9,090,909 Shares at an issue price of \$0.055 per Share (**Abex Placement Shares**) and 4,545,454 Quoted Options (strike price \$0.10 expiring 1 August 2021), being one (1) free attaching Quoted Option (**Abex Quoted Options**) for every two (2) new Shares to be issued to Abex (**Abex Placement**).

7.2.2. LISTING RULE 7.1

Resolution 6 seeks Shareholder approval pursuant to ASX Listing Rule 7.1 for the issue of the Abex Placement Shares and Abex Quoted Options.

The Abex Placement does not presently fall within any of the Listing Rule 7.1 exceptions.

To fall within the Listing Rule 7.1 exceptions and not use the Company's Placement Capacity to issue further Equity Securities under Listing Rule 7.1, the issues of Equity Securities proposed under Resolution 6 require approval by Shareholders under Listing Rule 7.1.

7.2.3. EFFECT OF RESOLUTION 6

If Shareholders approve Resolution 6:

- (a) They will have approved the issue of the Abex Placement Shares and Abex Quoted Options to repay the Company's \$500,000 Abex loan;
- (b) The issue of the Abex Placement Shares and Abex Quoted Options will not use up a portion of the Company's Placement Capacity, meaning the Company will have an increased ability to issue Equity Securities without seeking Shareholder approval; and
- (c) Assuming there are no further issues of Equity Securities under Listing Rule 7.1 and Listing Rule 7.1A until the date of the Meeting, if Shareholders also vote in favour of Resolutions 1 to 5 inclusive, the Company's capacity to issue Equity Securities without approval under:
 - (i) Listing Rule 7.1 will be increased by approximately 52,913,126 Equity Securities to 54,893,932 Equity Securities; and
 - (ii) Listing Rule 7.1A will be increased by approximately 3,869,189 Equity Securities to 36,595,954 Equity Securities
 as at the date of the Meeting.

If Shareholders do not approve Resolution 6:

- (a) The Company's current Placement Capacity is sufficient and the Company would still be able to proceed with issuing the Abex Placement Shares and Abex Quoted Options and repay the Company's \$500,000 Abex loan;
- (b) The issue of the Abex Placement Shares and Quoted Options to repay the Company's \$500,000 Abex loan would use up a portion of the Company's current Placement Capacity until that date that is 12 months from their date of issue; and
- (c) The Company will therefore have a reduced ability to issue Equity Securities without seeking Shareholder approval until that time.

7.2.4. CAPITAL STRUCTURE CHANGES

Resolution 6 seeks Shareholder approval for the issue of securities in the Company. If passed and the Abex Placement Shares and Abex Quoted Options issued, the Resolution will have an impact on the capital structure of the Company.

Shareholders will be diluted 2.48% on an undiluted basis and 3.11% on a fully diluted basis. This impact is summarised in Table 1 above and assumes that Resolution 6 is passed by Shareholders and the Abex Placement Shares and Abex Quoted Options are issued.

Abex Resources Holdings is an entity associated with the Company's substantial shareholders, Mr Richard Chadwick and Mrs Gwenda Chadwick.

Following in Table 7 (undiluted) and Table 8 (diluted) are the changes in voting power for Mr Richard Chadwick and Mrs Gwenda Chadwick, assuming all Equity Securities the subject of Resolution 6 are issued and allotted:

Voting power on an undiluted basis¹

Table 7

Before		After	
No. of Shares	% of voting power	No. of Shares	% of voting power
58,571,359	16.41%	67,662,268	18.49%

Voting power on a fully diluted basis (i.e. assuming conversion of all Options)²

Table 8

Before		After	
No. of Shares	% of voting power	No. of Shares	% of voting power
61,819,769	14.56%	75,456,132	17.22%

7.2.5. INFORMATION REQUIRED PURSUANT TO ASX LISTING RULE 7.3

The following information, in Table 9 below, in relation to the Shares the subject of Resolution 6 is provided to Shareholders in accordance with Listing Rule 7.5:

Table 9

Information Required pursuant to ASX Listing Rule 7.3	Information
Names of the persons to whom the securities will be issued or the basis on which those persons were or will be identified or selected	Abex Resource Holdings

¹ Based on a total issued capital of the Company of 356,868,635 Shares (Before) and 365,959,544 Shares (After). Table 7 has been prepared on the following hypothetical assumptions. The Company does not represent they will necessarily occur:

- (a) All Shares the subject of Resolution 6 have been issued and allotted as contemplated by that Resolution; and
- (b) No Quoted Options and Unlisted Options have been exercised.

² Based on a total issued capital of the Company of 424,471,375 Shares (Before) and 438,107,738 Shares (After). Table 8 has been prepared on the following hypothetical assumptions. The Company does not represent they will necessarily occur:

- (a) All Equity Securities the subject of Resolution 6 have been issued and allotted as contemplated by that Resolution; and
- (b) All Quoted Options and Unlisted Options have been exercised.

Information Required pursuant to ASX Listing Rule 7.3	Information
The number and class of securities to be issued	(a) 9,090,909 Shares are to be issued. All are fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares. (b) 4,545,454 Quoted Options are to be issued, being one (1) free attaching Quoted Option for every two (2) new Shares. (c) The Quoted Options are to be issued on the same terms and conditions as the Company's existing Quoted Options, providing the holder with the right to be issued one Share for every one option upon payment of the exercise price (A\$0.10 each option) until the expiry date (1 August 2021).
Date by which the securities will be issued	The Shares and Quoted Options will be issued within three (3) months of approval by Shareholders
Issue price	\$0.055 per Share.
The use (or intended use) of the funds raised	The purpose of the issue of the Shares and Quoted Options is to repay the Company's \$500,000 unsecured Abex loan.
If the securities will be issued under an agreement, a summary of any other material terms of the agreement	The issues of the Shares and Quoted Options is to repay the Company's \$500,000 unsecured Abex loan.
A voting exclusion statement	A voting exclusion is included in the Notice in relation to Resolution 6.

7.2.6. RECOMMENDATION

The Board unanimously recommends that Shareholders **vote in favour** of Resolution 6.

8. INTERPRETATION

For the purposes of interpreting the Explanatory Notes and the Notice:

the singular includes the plural and vice versa;

words importing any gender include the other genders;

reference to any statute, ordinance, regulation, rule or other law includes all regulations and other instruments and all consolidations, amendments, re-enactments or replacements for the time being in force;

all headings, bold typing and italics (if any) have been inserted for convenience of reference only and do not define, limit or affect the meaning or interpretation of the Explanatory Notes and the Notice;

reference to persons includes bodies corporate and government authorities and in each and every case, includes a reference to the person's executors, administrators, successors, substitutes (including without limitation persons taking by novation and assignment); and

reference to cents, \$, A\$, Australian Dollars or dollars is a reference to the lawful tender for the time being and from time to time of the Commonwealth of Australia.

9. REGISTERED OFFICE

King Island Scheelite Limited ABN: 40 004 681 734

Suite 26.01

Level 26, Suncorp Place

259 George Street

Sydney NSW 2000

Telephone: +61 2 8622 1402

Email: kis@kisltd.com.au

Web: www.kingislandscheelite.com.au

10. GLOSSARY

Abex or **Abex Resource Holdings** means Abex Resource Holdings Pty Ltd ACN 146 565 906, an entity associated with the Company's substantial shareholders Mr Richard Chadwick and Mrs Gwenda Chadwick.

AEST means Australian Eastern Standard Time.

EGM or **General Meeting** means the general meeting to commence 11.00AM AEST on Monday 3 May 2021 and notified to the Company's Shareholders by this Notice.

Associate has the meaning given to that term in Part 1.2, Division 2 of the Corporations Act.

ASX means ASX Limited ABN 98 008 624 691.

ASX Listing Rules means the official listing rules issued and enforced by the ASX, as amended from time to time.

Board or **Board of Directors** means the board of Directors of the Company.

Company means King Island Scheelite Limited ABN 40 004 681 734.

Corporations Act means the *Corporations Act 2001* (Cth) as amended from time to time.

Director means a director of the Company.

Equity Securities has the same meaning as in the ASX Listing Rules.

Explanatory Notes means the notes included in the Notice which convened this meeting.

Mac Equity means Mac Equity Partners (International) Pty Ltd ACN 606 342 910.

Meeting means the EGM.

New Insights means New Insights Australia Pty Ltd ACN 634 592 555

Notice means this notice of General Meeting.

Option means an option providing the holder with the right to subscribe for one (1) Share for the exercise price during the option period and Options has a corresponding meaning.

Quoted Options means the Company's quoted Options providing the holder with the right to be issued one Share for every one Option upon payment of the exercise price (A\$0.10 each option) until the expiry date (1 August 2021).

Share means a fully paid ordinary share in the issued capital of the Company and **Shares** has a corresponding meaning.

Shareholder means shareholder of the Company and **Shareholders** has a corresponding meaning.

Trading Day means a day determined by the ASX to be a Trading Day, notified to market participants, and otherwise as defined by the ASX Listing Rules.

Unquoted Options means the Company's unquoted options providing the holder with the right to be issued one Share for every one option upon payment of the exercise price

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PROXY FORM

STEP 1 APPOINT A PROXY

Shareholder Details

Name(s):

Address:

Contact Telephone Number:

Contact Email Address:

Contact Name (if different from above):

I/We, being a member/s of King Island Scheelite Limited ABN 40 004 681 734 (**Company**) hereby appoint _____ (insert name / address)

or failing him or her the Chairman of the Meeting¹ as my/our proxy to vote on my/our behalf at the General Meeting of the Company to be held at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000, commencing at 11.00AM AEST Monday 3 May 2021, and at any adjournment of that meeting.

¹If you appoint a proxy, the Company encourages you to direct your proxy how to vote on each item of business.

The Chairman of the Meeting intends to vote undirected proxies in favour of each of the items of business.

If I/we have appointed the Chairman of the Meeting as my/our proxy or the Chairman of the Meeting becomes my/our proxy by default, by signing and submitting this form I/we expressly authorise the Chairman of the Meeting to exercise my/our proxy in respect of Resolutions 1 to 6 inclusive (except where I/we have indicated a different voting intention below).

If you have appointed the Chairman of the Meeting as your proxy (or the Chairman of the Meeting becomes your proxy by default), and you wish to give the Chairman specific voting directions on an item, you should mark the appropriate box/es opposite those items in step 2 below (directing the Chairman of the Meeting to vote for, against or to abstain from voting).

If you mark the Abstain box for a particular item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your vote will not be counted in computing the required majority on a poll.

PROXY FORM GENERAL MEETING

STEP 2 VOTING INSTRUCTIONS

This proxy is to be used in respect of all / _____% (number) of the Ordinary Shares I / we hold.

I/We instruct my/our proxy to vote as follows (the Resolutions are numbered as in the Notice of General Meeting):

	For	Against	Abstain
To consider and, if thought fit, to pass, with or without amendment, the following Resolutions:			
Resolution 1: Ratification of Prior Issue of Shares (Morgan)	☐	☐	☐
Resolution 2: Ratification of Prior Issue of Shares (Murcott)	☐	☐	☐
Resolution 3: Ratification of Prior Issue of Shares (New Insights)	☐	☐	☐
Resolution 4: Ratification of Prior Issue of Quoted Options (Mac Equity)	☐	☐	☐
Resolution 5: Ratification of Prior Issue of Shares to Unrelated Persons.	☐	☐	☐
Resolution 6: Approval to Issue Equity Securities (Abex).	☐	☐	☐

(insert name / address)

STEP 3 SIGNATURE OF SHAREHOLDER

Dated: _____ 2021

Individuals and joint holders

Companies (affix common seal if appropriate)

Signature

Director

Signature

Director/Company Secretary

Instructions for Completing Proxy Form

A member entitled to attend and vote at a Meeting is entitled to appoint a proxy to attend and vote on behalf of that member.

You should direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on one item, your vote on that item will be invalid.

A duly appointed proxy need not be a member of the Company. This form should be signed by the member. If a joint holding, either member may sign. If signed by the member's attorney, the power of attorney must have been previously noted by the Company or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the member's constitution and the Corporations Act.

Corporate shareholders should comply with the execution requirements set out on the proxy form or otherwise with the provisions of Section 127 of the Corporations Act. Section 127 of the Corporations Act provides that a company may execute a document without using its common seal if the document is signed by:

- (a) directors of the company;
- (b) a director and a company secretary of the company; or
- (c) for a proprietary company that has a sole director who is also the sole company secretary – that director.

For the Company to rely on the assumptions set out in Section 129(5) and (6) of the Corporations Act, a document must appear to have been executed in accordance with Section 127(1) or (2). This effectively means that the status of the persons signing the document or witnessing the affixing of the seal must be set out and conform to the requirements of Section 127(1) or (2) as applicable. In particular, a person who witnesses the affixing of a common seal and who is the sole director and sole company secretary of the company must state that next to his or her signature.

Completion of a proxy form will not prevent individual shareholders from attending the meeting in person if they wish. Where a shareholder completes and lodges a valid proxy form and attends the meeting in person, then the proxy's authority to speak and vote for that shareholder is suspended while the shareholder is present at the meeting.

Where a proxy form or form of appointment of corporate representative is lodged and is executed under power of attorney, the power of attorney must be lodged in like manner as this proxy.

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form by:

- (a) Hand delivery to the Company's registered office at Suite 26.01, Level 26, Suncorp Place, 259 George Street, Sydney NSW 2000;
- (b) Scanning and emailing to kis@kisltd.com.au; or
- (c) Post to King Island Scheelite Limited, GPO Box 5154 Sydney NSW 2001

so that it is received not later than 11.00AM AEST Saturday 1 May 2021.

Proxy forms received later than this time will be invalid.

Chapter 2C of the Corporations Act requires information about you as a member (including your name, address and details of the shares you hold) to be included in the public register of the entity in which you hold securities. Information is collected to administer your shareholding and if some or all of the information is not collected then it might not be possible to administer your shareholding. You can access your personal information by contacting the Company at the address or telephone number shown on this form.

APPOINTMENT OF CORPORATE REPRESENTATIVE

Pursuant to Section 250D of the *Corporations Act*

(ABN/ACN/ARBN)

(Insert name of Shareholder/Body Corporate & ACN/ARBN)

Hereby Authorises

(Insert name of appointee)

- (*) 1. To act as the Company's representative at all General Meetings of King Island Scheelite Limited ABN 40 004 681 734.
- (*) 2. To act as the Company's Representative at the General Meeting to be held at 11.00AM AEST Monday 3 May 2021 and any adjournment thereof.

Dated this _____ day of _____ 2021

Executed by the corporation in accordance with its Constitution/Section 127 of the *Corporations Act* in the presence of:

(*) Director (*) Sole Director & Sole Secretary

(*) Director/Secretary

Affix Common Seal here (optional)

(*) Delete if not applicable

This authority may be sent to the registered office or share registry office of the Company in advance of the meeting as set out in the Notice of General Meeting which this appointment accompanies or handed in at the General Meeting when registering as a company representative. In either case, the authority will be retained by the Company.