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April 13th, 2016 **ASX Release**

Kidman Resources Limited
ABN 88 143 526 096

Corporate Details:

ASX Code: KDR

Issued capital:
177.95M ordinary shares

Substantial Shareholders:
Capri Holdings (12.78%)
Holdex Nominees (6.35%)
Acorn Capital (5.62%)

Directors:
Non-Executive Chairman:
Peter Lester
Managing Director:
Martin Donohue
Non-Executive Director:
Brad Evans
Chief Operating Officer (COO):
Tony Davis
Chief Financial Officer (CFO):
Melanie Leydin
Company Secretary:
Justin Mouchacca

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Mt Holland Project Update and Lithium Interest

Kidman Resources (ASX: KDR) wishes to advise that it has received strong interest recently from both local and offshore companies in respect to the lithium and tantalum rights at the Mt Holland gold project in WA.

Kidman has signed a binding agreement to acquire the ~1 million ounce Mt Holland gold project and the primary focus remains on upgrading and developing the gold resource with the aim of developing a second producing gold mine alongside its Burbanks operation near Kalgoorlie.

However, in light of the strong interest expressed in the lithium rights at Mt Holland, Kidman has commenced a technical review on this potential, which is clearly very significant.

The Mt Holland tenement package covers 50km of prospective strike with geology that is host to a specific group of pegmatites- LCT (lithium-caesium-tantalum) pegmatites, which host economic lithium-tantalum mineralisation in WA (eg:Greenbushes,Wodgina) and elsewhere globally.

During the ongoing data consolidation and geological review of the Mt Holland project, the Kidman technical team became aware of spodumene-bearing pegmatites around the historic Bounty gold mine from old drill core data and core stored in the onsite core farm **(See Image 1.0).** These pegmatite bodies historically intersected in drilling programmes originally targeting gold mineralisation will now be tested and an update to the market will be provided as soon as possible in line with JORC 2012 reporting guidelines.

Most significantly, there appears to have been no exploration over Kidman's Mt Holland project area for such mineralisation, with previous work focused almost solely on gold and nickel. The presence of such untested pegmatite bodies in a district with historic rare metal production represents an exciting upside to the Mount Holland project and potentially represents a hitherto unrecognised rare metal mineral field.

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Image 1.0 Pegmatite drill core samples from Mt Holland at Bounty mine site

In addition to the spodumene-bearing pegmatites within the Bounty mining lease, a significant volume of pegmatite was found to have been historically mapped over approximately 6km of strike by Aztec Mining Company on tenement E77/2244 alone. The mineralogy and geochemistry of these pegmatites remains unclear, however the data demonstrates the potential for additional LCT-type pegmatite occurrences along the Mt Holland tenements. With the database consolidation and project-wide geological review still underway, it is possible further historically mapped pegmatites will be found in the data shortly.

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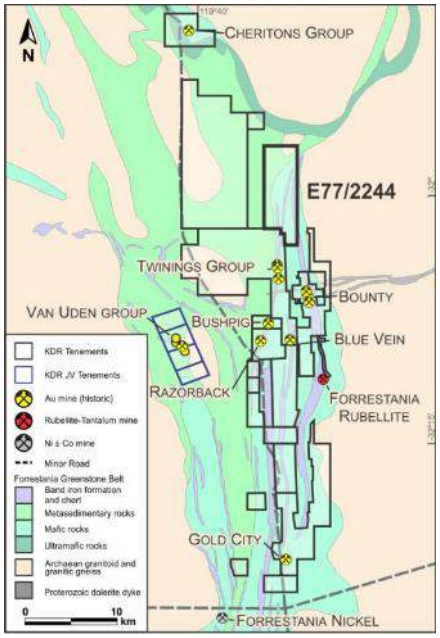


Figure 1: Kidman Resources' Mount Holland Project, with the Forrestania Rubellite Mine location highlighted. This mine produced tantalum during the 1980s.

To ascertain the further potential of such rare metal-bearing pegmatites at a high level, a broader review of the Forrestania Greenstone Belt was undertaken with a focus on these highly fractionated intrusions.

A single mineral occurrence became the main focus of the review. This was a pegmatite body immediately to the east of Kidman's tenement package but within the same geological sequence. This pegmatite is currently worked sporadically for rubellite, a pink-red gemstone-quality form of the mineral tourmaline. Further investigation indicated the site was initially mined for tantalum during the 1980s, with the primary ore minerals being manganotantalite and microlite.

Additional rare metals (referring here to the metals lithium, tantalum, caesium and niobium-bearing minerals present in the pegmatite) include cesstibtantite, stibiotantalite and lepidolite, and are accompanied by cleavelandite and morganite, a gemstone quality form of the mineral beryl. This mineral association is characteristic of the Li-Cs-Ta enriched (LCT) group of pegmatites, known to host economic rare metal (Li and Ta) deposits elsewhere in Western Australia and around the world.

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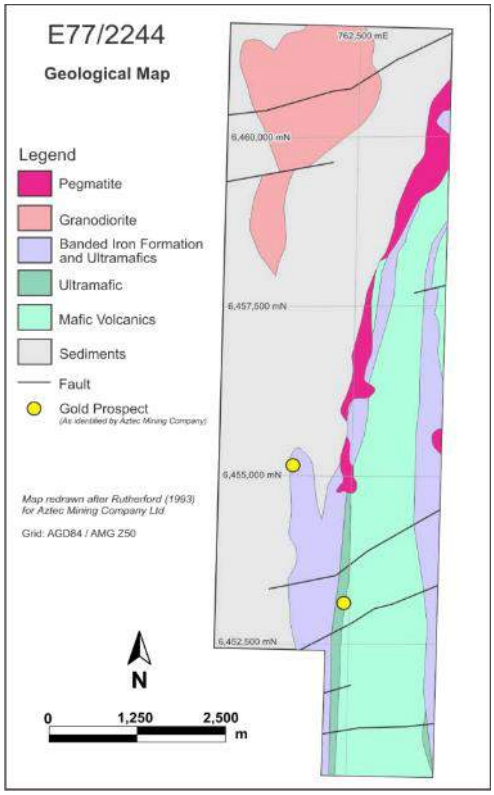


Figure 2: Geological map of tenement E77/2244, highlighting position of pegmatite bodies over ~ 6km strike extent. No record of geochemical or petrological analysis of these intrusions has been found

Kidman's technical team has begun planning work on a program to more accurately map and test the fertility of these pegmatite bodies using geochemical and petrological analysis.

Once the technical team has advanced their knowledge on the Li-Ta potential of the Mt Holland project, the board and management will then consider the best way forward with a strong focus on generating the best return for Kidman shareholders.

In addition to considering the current strong interest in the Li-Ta potential at Mt Holland, the company has also commenced modelling of the Blue Vein and Twining's gold deposits and preliminary design of a combined RC and Diamond drilling program at Blue Vein. The aim of this drill program is to upgrade the classification and size of the Blue Vein resource with the aim of defining an ore reserve as soon as possible as well as advancing the Twining's deposit. Kidman intends to capitalise on the significant existing infrastructure already in place at Mt Holland such as power, water, site offices/ accommodation, air strip, tails storage facilities etc. so as to commence gold production in the most cost effective way.

Recent field trips to Mt Holland have also identified numerous regional gold targets mainly associated with the banded iron formation within the entire tenement package where further field work is planned to commence shortly.

Completion of the Mt Holland acquisition is subject to shareholder approval. The notice of meeting will be sent to shareholders once the independent expert's report is completed upon closure of the Company's current rights issue. The company has full access to the Mt Holland project while it awaits shareholder approval to complete the acquisition.

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Kidman Background

Kidman is a diversified resource company currently in production at the Burbanks Gold Mine near Coolgardie in WA, production commenced in the September quarter of 2015.

Kidman has also entered into a Binding Agreement to acquire the 1moz Mt Holland gold field near Southern Cross in WA. The company intends to upgrade the existing gold resource at Mt Holland with a budgeted 10,000m drilling program, followed by an update to the feasibility study with a view to commencing plant construction in early 2017.

Kidman also owns advanced exploration projects in the Northern Territory (Home of Bullion – Cu, Au, Pb, Zn, Ag/ Prospect D - Ni, Cu) and New South Wales.

In New South Wales the company has the Crowl Creek Project which is host to numerous projects such as Murrays (Au) Blind Calf (Cu, Au) and Three Peaks (Cu, Pb, Ag).

The company also owns the Brown's Reef project in the southern part of the Cobar Basin (Zn, Pb, Ag, and Cu)

For further information on the Company's portfolio of projects please refer to the website at:
www.kidmanresources.com.au

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