June 29, 2016

ASX Release

Kidman Resources Limited
ABN 88 143 526 096

Production set to resume at Burbanks gold mine in WA

Kidman Resources Limited (ASX: KDR) is pleased to advise that production is set to resume at its Burbanks gold mine near Coolgardie in WA following a period of successful underground mine development.

The Dahmu Mineral Resource has been accessed on the 1350 level with strike driving now underway. Stoping of some remnant mining blocks on both Dahmu and Tailor has also commenced, with a small stockpile now on the ROM Pad.

Kidman acquired an initial 80 percent interest in Burbanks in May 2015 and produced 5,742 ounces at an average grade of 2.47 g/t between September 2015 and December 2015.

It then purchased the remaining 20 percent interest from Joint Venture partner Blue Tiger Mining, paving the way for the Company to make significant operational improvements which would deliver substantial benefits.

During the March quarter, 2016 Kidman terminated the mining services contract held by the JV partner and appointed highly experienced underground mining contractor Pybar. The Company also made the decision to adopt hand-held mining methods at Burbanks which are better suited to its narrow vein, high grade Mineral Resource. Historical production of 820,900 tonnes at 13.9 g/t producing 366,000oz is recorded; this information is derived from historic annual reports attributed to the Burbanks Mining Centre.

Since Pybar mobilised to site, more than 240m of development has been completed and significant improvements have been made to the mine, including capital works to improve the underground infrastructure such as upgrading escapeways and increasing both primary and secondary ventilation capacity. Improvements have also been made to the dewatering system, the electrical reticulation and power supply and to safety standards throughout the mine.

Kidman has also commenced planning for an improved water management system that will allow it to consider accessing "Burbanks Deeps". This area around the historic 7 level is 100 vertical metres below the current limit of mine workings.

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Corporate Details:
ASX Code: KDR

Issued capital:
237.3M ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:
Capri Holdings (9.63%)
Acorn Capital (8.85%)

Directors:
Non-Executive Chairman:
Peter Lester
Managing Director:
Martin Donohue
Non-Executive Director:
Brad Evans

Company Secretaries:
Justin Mouchacca
Melanie Leydin

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An underground diamond drilling program has been designed to upgrade the mineralisation below the 7 level so that a mine plan can be devised for accessing this part of the mine. Historic reports held in the public domain by the WA DMP record sampling by early miners of the 7 level. These report intervals of 76m along strike averaging 17.1 g/t with an average width of 1.1m and 30m along strike @ 18.3 g/t with an average width of 1.5m. The 7 level mineralisation is believed to form part of a second deeper folded shear zone under the main mineralised shear currently being mined. Apart from the area around the 7 level, this deeper shear zone remains very poorly tested.

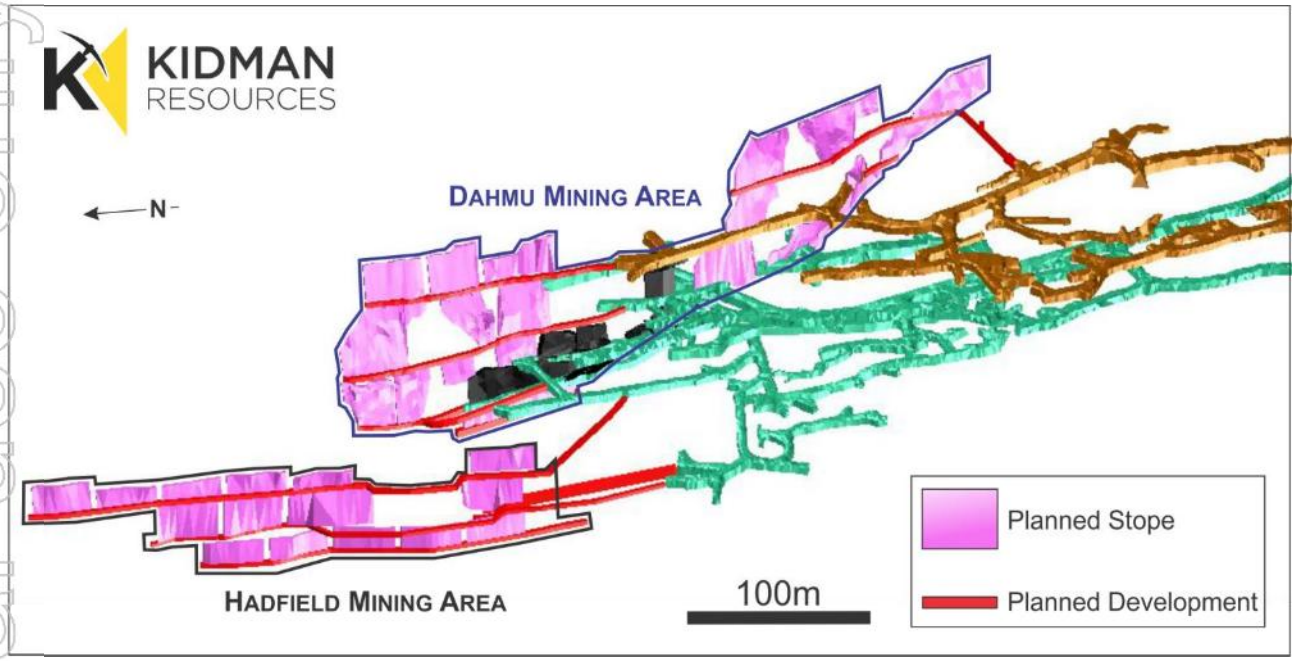


Figure 1.0 Current development and planned stoping on Dahmu and Hadfield lodes

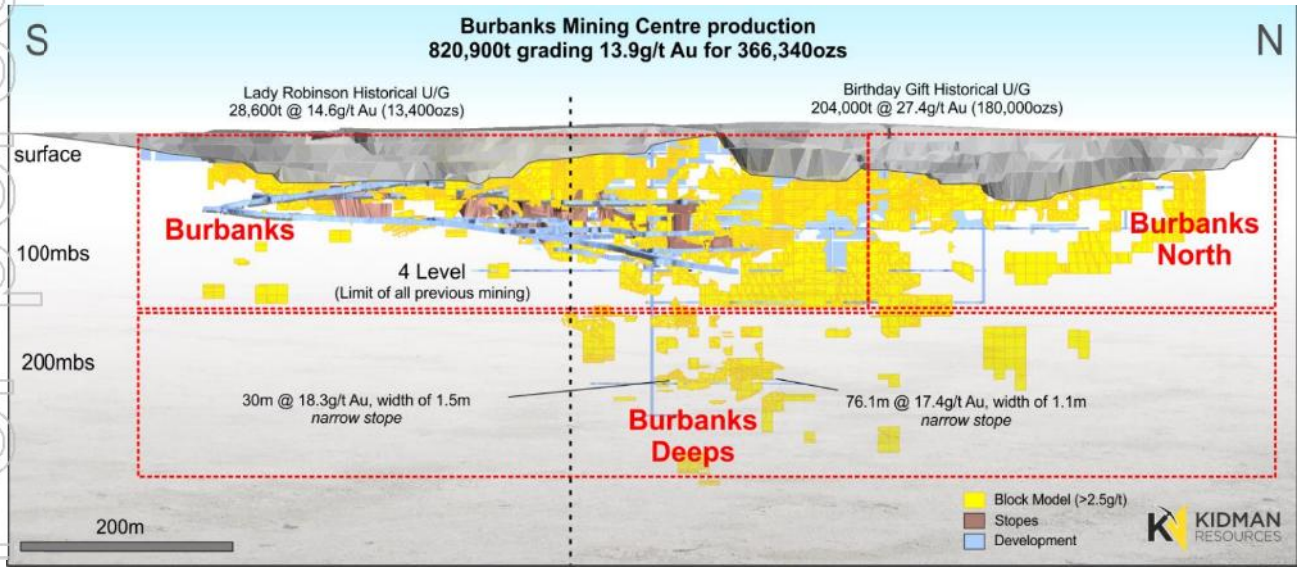


Figure 2.0 Long section showing Burbanks Deeps area which is currently around 100m vertically below current limit of mine workings

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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 Mt Holland gold field near Southern Cross in WA (see ASX Announcment 18th December for further details of the project). The company intends to revise the existing gold resource at Mt Holland with a significant RC and Diamond drilling program, followed by an update to the feasibility study undertaken by previous operators.

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:

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Cautionary Statement:
Readers should use caution when reviewing the exploration and historical information results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision. Potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.