Kidman Resources Limited

ABN 88 143 526 096

Annual Report - 30 June 2016

Kidman Resources Limited
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30 June 2016

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The Company's 2016 Corporate Governance Statement has been released to ASX on 30 September 2016 and is available on the Company's website.

Kidman Resources Limited
Corporate directory
30 June 2016

Directors	Mr Peter Lester (Non-Executive Chairman) Mr Martin Donohue (Managing Director) Mr Brad Evans (Non-Executive Director)
Company secretaries	Ms Melanie Leydin Mr Justin Mouchacca
Registered office	Level 4, 100 Albert Road South Melbourne, VIC 3205 Ph: (03) 9692 7222 Fax: (03) 9077 9233
Principal place of business	Suite 3, Level 4 12-20 Flinders Lane Melbourne VIC 3000
Share register	Boardroom Pty Ltd Level 12, 225 George Street Sydney NSW 2000 Ph: (02) 9290 9600
Auditor	Grant Thornton Audit Pty Ltd The Rialto Level 30, 525 Collins Street Melbourne VIC 3000
Stock exchange listing	Kidman Resources Limited shares are listed on the Australian Securities Exchange (ASX codes: Shares: KDR and Listed Options: KDRO)
Website	www.kidmanresources.com.au

Kidman Resources Limited
Chairman's Letter
30 June 2016

Dear Shareholder

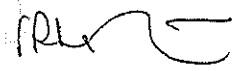
It is with great pleasure that I write to you on the completion of a successful transition year for Kidman Resources which saw your company grow from a small initial production base to ownership of the substantial Mt Holland gold and lithium project. The market capitalisation grew from about $11M in July 2015 to $38M at year end and sits at approximately $180M at the time of this letter, a tribute to the work of Kidman's management and staff and to the strong support of our shareholders.

Having completed the acquisition of 80% of the Burbanks mine and the Gunga West project, both near Coolgardie in WA, in May 2015, Kidman poured its first gold in September following resources definition work and continued to define resources throughout the year. On 26th January 2016 Kidman had acquired the remaining 20% of both projects and signed a conditional Heads of Agreement to acquire the Mt Holland gold projects south of Southern Cross in WA. This acquisition was completed through a Shareholder Meeting in early 2016/17. These acquisitions were part of our strategy to grow Kidman into a mid-tier gold producer, with Mt Holland as the foundation. This strategy saw the divestment of the small Gunga project March 2016 and early in the new year, Kidman had received some expressions of interest in acquiring Burbanks.

With the discovery of lithium in the form of Li_2O in the old Earl Grey mining area at Mt Holland in May 2016, your company embarked on a program to identify the potential extent of the lithium bearing pegmatites which has since suggested a substantial strike length of thick zones.

Subsequent to year end, Kidman has successfully raise $21M to pursue both the gold and lithium potential at Mt Holland with the aim of establishing new JORC Resources by early 2017. The company has also signed a Heads of Agreement with the owners of the nearby Lake Johnson processing plant to assess its use for producing lithium concentrate.

Your company has ended 2015/16 in good shape. Kidman has started the new year with a strong balance sheet and a clear target of identifying JORC Resources for the gold and lithium at Mt Holland and developing a program towards realising the potential of both.



Peter Lester
Chairman

Kidman Resources Limited
Review of operations
30 June 2016

Highlights:

- Achievement of a Company milestone transitioning from Explorer to Producer with maiden gold pour from the Burbanks Gold mine on the 14th September 2015.
- Gold production for the financial year was 5,743 ounces of gold.
- 76,371 tonnes of ore milled at 2.45 g/t @ 95.4% recovery.
- Established an Initial Combined Inferred and Indicated Mineral Resource of 99,000oz at 5.6 g/t gold reported for Burbanks. (refer to ASX announcement 25th Aug. 2015)
- Established an Initial Combined Indicated and Inferred Mineral Resource of 73,000oz at 1.7g/t gold, at Gunga West gold mine near Kalgoorlie. (refer to ASX announcement 10th Nov. 2015)
- Underground mining achieved access to the historic 4 Level which was the limit of all previous mining representing a significant opportunity for access to the high grade mining areas on multiple lodes.
- Completion of 3,700.5m of Underground Diamond drilling at Burbanks focussing on targets around operational areas and exploration targets along strike and down dip of the Combined Inferred and Indicated Mineral Resource. (refer to ASX announcements 19th Oct & 23rd Nov. 2015)
- Completion of 3,013m RC drilling program with results outside of the current Mineral Resource. (refer to ASX Announcement 26th Aug. 2015)
- Kidman purchased the remaining 20% interest in the Burbanks and Gunga West gold projects in WA from JV partner for $1.5M
- Full ownership enabled Kidman to make key operational changes at Burbanks in relation to increased drilling, development, capital improvements
- PYBAR appointed as Mining Services Contractor at Burbanks to help accelerate development and implement new mining methods
- Strong exploration results at Burbanks extended high grade mineralisation in the Dahmu and Hadfield Lodes, and contributed to the mine plan. Mineralisation was also intersected in the Tailor Lode north of the mine area. Further drilling defined down dip extensions at Hadfield. (Refer to ASX Announcement 5th April 2016)
- Gunga West gold project sold to Metals X for up to $2.5M (refer to ASX Announcement 31st March 2016)
- Binding Heads of Agreement signed to acquire the Mt Holland Gold project in the Forrestania Greenstone Belt near Southern Cross W.A, plus the Esmeralda Gold project in Qld for a consideration of $3.5 M. (refer to ASX announcement 18th December)
- Kidman undertook its Maiden drilling campaign at Blue Vein and extended the high grade deposit by 60m down dip with a drill program in the second half of 2016 to test the ore body down plunge; this will target areas of known high grade mineralisation with the aim of upgrading the current Resource. (Refer to ASX Announcement 20th June 2016)
- Lithium Review of Kidman's Mt Holland Gold Project established a 6.3 km pegmatite and other multiple shallow pegmatite occurrences totalling over 25 kms within the Forrestania Greenstone Belt tenement package.
- Initial testing for Lithium on drill core from the Bounty deposit returns exceptionally strong lithium oxide assay results. 54.2m at 1.53% Li_2O from 37.8m and 33.5m at 1.39% Li_2O from 294m. (Refer to ASX Announcement 2nd June 2016)
- 117,656,631 Ordinary shares issued during the financial year 2015 – 2016.
- Institutional Share placement and oversubscribed Rights Issue raised $8.07M before costs.
- Discussions completed for the refinancing of Initial $6 M debt facility

Kidman Resources Limited
Review of operations
30 June 2016

BURBANK'S GOLD MINE

Safety:

There were no Lost Time Injuries (LTIs) for the full year and the 12 month Lost Time Injury Frequency Rate (LTIFR) still remains at zero.

Operations:

On 14 September 2015 Kidman achieved a Company milestone of transitioning from Explorer to Producer with the completion of its first gold pour after the commencement of milling in mid-September 2015.

A total of 76,371 tonnes of ore was milled and 78,056 tonnes of ore was mined during the year.

All of which resulted in 5,743 ounces of gold being produced during the year generating revenue of AUD $8.99 million.

Kidman Resources Limited Yearly Production						
	Units	Sep Qtr. FY16	Dec Qtr. FY16	Mar Qtr. FY 16	June Qtr. FY16	YTD FY16
Ore Mined	t	23,943	48,095	4,333	1685	78,056
Ore Mined Grade - Gold	g/t	2.28	2.57	2.06	2.94	2.46
Ore Processed	t	17,307	45,815	13,249	0	76,371
Ore Processed Grade -	g/t	2.57	2.57	1.89	0	2.45
Recovery - Gold	%	93.8%	95.8%	96.4%	N/A	95.4%
Gold Production	oz.	1,342	3,626	775	0	5743
Gold Sold	oz.	1,342	3,626	775	0	5743

In July 2015, Kidman Resources engaged Mining Plus (MP) to complete a Mineral Resource Estimation (MRE) at the Burbanks Gold Mine in Coolgardie, Western Australia. The MRE has been reported at specific cut off grades for shallow material to be mined from the base of the existing Christmas pit and also from deeper underground within the Burbanks Underground mine.

The Mineral Resource Inventory reported in August 2015 is tabulated below:

Mineral Resource Estimate for the Burbanks Deposit - as of the end of July 2015													
Area	Cut-Off	Measured			Indicated			Measured & Indicated			Inferred		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Open Pit Resource	1.0	-	-	-	30,000	4.5	4,500	30,000	4.5	4,500	10,000	4.6	1,500
Underground Resource	2.5	-	-	-	185,000	5.8	34,500	185,000	4.9	34,500	325,000	5.7	58,500
Total Resource	1.0 / 2.5	-	-	-	215,000	5.6	39,000	215,000	4.8	39,000	335,000	5.6	60,000
The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.													

Table 1: July 2015 Mineral Resource Inventory for Burbanks Deposit, Coolgardie, Western Australia

Mining Plus received updated depletion wireframes for level development and stope production for 12 month production period.

A block model report for the remaining resource is tabulated below to show the mined depletion from the production period

Mineral Resource Inventory for the Burbanks Deposit – 30th June 2016							
Area	Cut-Off	Indicated			Inferred		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Christmas Open Pit	1.0	5,700	6.2	1,100	4,000	7.8	1,050
Burbanks Underground Mine	2.5	180,000	6.0	34,750	325,000	5.6	58,500
Total Resource	1.0/2.5	185,700	6.0	35,850	329,000	5.6	59,550

Table 2: 30th June 2016 Mineral Resource Inventory for the Burbanks Deposit, Coolgardie, Western Australia

The information in this release that relates to the estimation of the Mineral Resource has been compiled by Mr. Richard Buerger BSc (Hons). Mr. Buerger is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant during the estimation of the mineral Resource for the Burbanks Deposit. Mr. Buerger is a Member of the Australian Institute of Geoscientists and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Buerger consents to the inclusion in this report of the contained technical information relating to the estimation of the Exploration Target in the form and context in which it appears

The production period shows a mineral inventory depletion of 3,600 ounces. The majority of this material has been mined from the Christmas Pit.

Production records provided by Kidman Resources show a total gold production for the period of 5,743 ounces. A total of 2,100 ounces of gold have been mined from the Burbanks deposit outside of the reported mineral resource.

These "extra" ounces have been effectively defined during production by utilizing grade control and production drilling from underground. In particular, the additional drilling extended the depth and strike extent of the Dahmu vein structure along the 1260 development level.

Remnant ore grade material at the base of the Christmas Pit remains in situ due to production schedule constraints at the time of mining. This material has been re-scheduled to be accessed from underground at a later date, still to be determined.

Mining – Underground:

Most recent activities in the last quarter of the financial year, June 16, was the recommencement of production following a period of successful underground mine development having appointed the highly regarded operators PYBAR as the mining service contractor.

This change in contractor was the result of acquiring the remaining 20 per cent stake from Joint Venture partner, Blue Tiger Mines Pty Ltd. Having full ownership has enabled Kidman to lay the foundations to improve the performance not previously possible under the JV arrangement. This has resulted in an upgrade of infrastructure and mine services; the implementation of hand held mining methods and the commencement of a significant development program.

This development focused on pushing development at the Tailor and high grade Hadfield lode on the 4 level, and accessing the Dahmu lode on multiple levels. This access has allowed mining to recommence on the Dahmu lode with the first drive starting to produce ore with grades in line with expectations. Stope ore was also bogged from the last section of the existing 1260 Dahmu development.

Previous Underground Mining activities prior to the appointment of PYBAR during the March quarter 16 focused on advancing the decline down to the historic 4 level and level development in ore and waste. This provided access to remnant stoping areas, diamond drill platforms and new stoping areas with a total of 637 metres of development been achieved during the March quarter 16.

The historic 4 level reached during this period is the limit of all previous mining activities and provided access to multiple lodes. The majority of ore mined from underground during the period was sourced from remnant mining areas, including historic backfill material. Some stoping was undertaken in the previously unmined Dahmu lode.

Kidman Resources Limited
Review of operations
30 June 2016

Mining – Open Pit

Open pit mining in the Christmas Pit generated 32,098 tonnes mined at 2.27 g/t Au up to the 31st December. The grade in the top two flitches did not perform to expectations predominantly due to orebody geometry and dilution during drilling and blasting. Tighter controls introduced in the lower flitches resulted in a significant uplift in grade from 1.54g/t Au to 4.00g/t Au.

Exploration - Burbanks:

In August 2015, Kidman released an initial Combined Inferred and Indicated Mineral Resource of 99,000oz at 5.6 g/t for Burbanks. Around 80% of this Mineral Resource is contained in the Birthday Gift underground mine with the rest in the adjacent Christmas open pit.

A total of 3,700 metres of underground drilling was completed of the on-going campaign during the first half of the year, enabling the extension of the known mineralisation with a host of high-grade results.

In addition, face sampling assays along the Dahmu lode on the 1260 level include **2.5m at 12.55g/t, 2.8m at 10.43g/t, 2m at 9.88g/t and 2m at 9.42g/t.** (Refer to ASX announcement 23rd Nov 2015.)

Subsequent to the release of the initial Resource the company also completed a further 3,013m of RC drilling which returned a number of high grade intersections outside of the initial resource. The intersections were located near existing development on the 1280 and 1300 levels where the Dahmu lode was targeted this then feed the majority of production for the year; the results included:

- **9m @ 7.89 g/t Au from 86m in CPRC131 including:**
  - **3m @ 13.93 g/t Au from 86m**
  - **2m @ 12.74 g/t Au from 93m**
- **3m @ 6.41 g/t Au from 63m in CPRC116**
- **2m @ 5.17 g/t Au from 61m in CPRC115 &**
  - **5m @ 4.87 g/t Au from 71m &**
  - **2m @ 9.27 g/t Au from 84m**

The most recent Exploration drilling activities at Burbanks included 1,127m of reverse circulation (RC) drilling from surface into Dahmu; 1,995m of RC drilling into the Hadfield, Jesson, and Tailor Lodes, and 983.4m of underground diamond drilling into the Hadfield Lode. The drilling further delineated mineralisation along extensions of the Tailor, Jesson and Hadfield Lodes and also further defined up-dip mineralisation in the Dahmu lode. (Refer to ASX Announcement 5th April 2016)

Highlights from these drilling programmes include:

- **2.0m @ 32.3 g/t Au from 70m (Hadfield)**
- **2.0m @ 24.97 g/t Au from 74m (Hadfield)**
- **2.0m @ 14.88 g/t Au from 45m (Hadfield)**

- **3.0m @ 6.77 g/t Au from 96m (Tailor)**
- **7.0m @ 5.84 g/t Au from 101m (Tailor)**
- **1.0m @ 7.41 g/t Au from 96m (Tailor)**

As well as extending the known mineralisation, the results confirmed the structural model developed by Kidman when it acquired the project last year. (*Refer to announcements 27 January, 23 March and 5 April 2016)*:

Exploration - Gunga West

In the month of November 2015, Kidman announced that the company had established an Initial combined Indicated and Inferred Mineral Resource of 73,000oz at 1.7g/t gold, at Gunga West gold mine near Kalgoorlie. The Gunga West Resource presented opportunities for a large scale open pit operation as well as a more consolidated mining approach that could high grade the existing Pit operations. Subsequent to the delineation of this resource enquiries were made into

the acquisition of the project by several interested parties, this later resulted in the purchase by HBJ Minerals a wholly owned subsidiary of Metals X in early 2016, (refer to ASX Announcement 31st March 2016).

Mt Holland /Esmeralda Acquisition

Mt Holland

During the financial year the Company signed a Binding Agreement to acquire the Mt Holland gold field in WA at a price that equates to approximately $3.77 per Resource ounce. (Refer to ASX Announcement 1st March 2016)

The Mt Holland Goldfield is hosted within a 50km strike length of the Forrestania greenstone belt south of Southern Cross. Within this 50km strike extent there remains numerous untested geochemical and geophysical anomalies that provide significant potential upside to Kidman within a land package that rarely becomes available in WA's eastern goldfields.

In May 2016, Kidman commenced a maiden drilling campaign at Blue Vein to extend the high grade Blue Vein deposit by 60m down dip with results showing an intersection of 3.8m at 5.47g/t within a wider zone of 13m @ 2.28 g/t.

The Blue Vein deposit remains open down-plunge and will be tested in this direction as part of the drilling program for the remainder of 2016. This program will also target areas of known high-grade mineralisation with the aim of increasing the grade confidence in the upper areas of the deposit.

In addition to Blue Vein, Mt Holland has other deposits which include Twinings, Van Uden, Bush Pig and Razor Back. Significantly, these deposits are open at depth and provide significant scope for Kidman to grow the potential within the overall project area

Due to third party interest and inquiries regarding the lithium rights at Mt Holland, Kidman performed an initial review on the Lithium potential within the Mt Holland Project area. Five historical Bounty Mine drill cores were selected for their notable spodumene bearing pegmatite intersections. Returned assay results were exceptional with grades including: (refer to ASX Announcement 23rd May, 2016)

- **MDA084A, from 0 to 2.8m:**
  - **2.8m @ 2.38% Li_2O, 211 ppm Cs_2O, and 56 ppm Ta_2O_5**
- **BUG0010, from 238.7 to 239.3m:**
  - **0.6m @ 1.33% Li_2O, 337 ppm Cs_2O, and 27 ppm Ta_2O_5**
- **BUG0170, from 194 to 199m:**
  - **5m @ 1.79% Li_2O, 160 ppm Cs_2O, and 50 ppm Ta_2O_5**

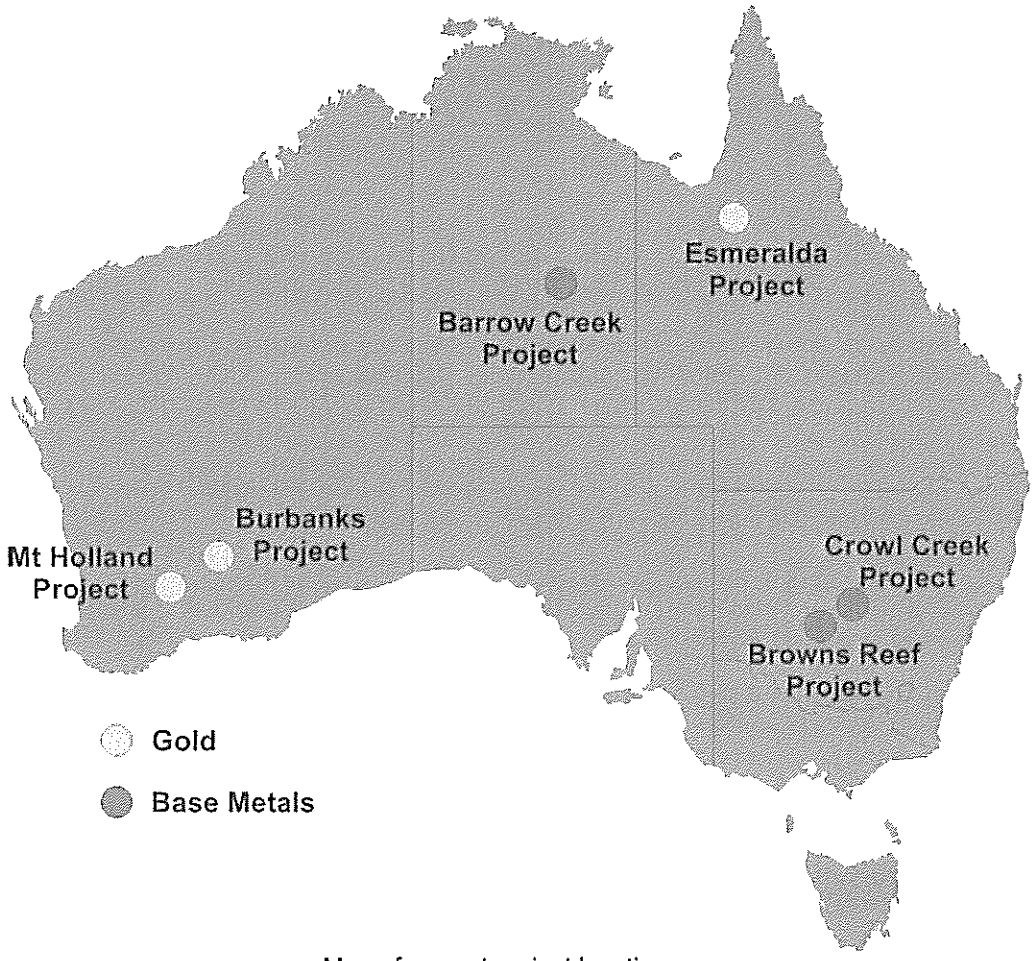
Further analysis of previously drilled RC holes showed significant lithium potential at the Twinings deposit returning some of the best seen in WA, showing **54.2m at 1.53% Li_2O from 37.8m and 33.5m at 1.39% Li_2O from 294m.**

These results highlight the huge potential of lithium within the Mt Holland package and a continued exploration and development programme will continue through the 2016-17 financial year.

Esmeralda

The transaction also includes the Esmeralda Prospect situated 58km southeast of the productive Croydon Goldfield in North Queensland. The tenement package has more than 90 square kilometres under the title, including the historical workings at Esmeralda.

Early production records demonstrate an average mined grade of 17.29g/t gold at the time mining first commenced in 1894. Gold occurs in quartz veins traceable up to 600m long within the Esmeralda Granite. Gold, tin, silver, lead and copper have all been recorded as occurrences within the Esmeralda Granite.



Map of current project locations

Corporate

The last quarter of FY16, saw Kidman Resources raise over $5m in a significantly oversubscribed rights issue. With approval being given by shareholders for the purchase of MH Gold Pty Ltd in June 2016, this money has been used to settle the first $2m tranche in the purchase of MH Gold Pty Ltd (which owns the Mt Holland goldfield in WA and the Esmeralda gold project in Qld), commence our own exploration work at Mt Holland and finance further development work at the now 100% owned and controlled Burbanks gold mine.

The remaining $1.5m in relation to the purchase of MH Gold Pty Ltd is payable via the issue of shares once certain conditions have been met in relation to forfeiture claims. These claims were lodged over some tenements after administrators were appointed to Convergent Minerals and prior to Kidman signing the Heads of Agreement to acquire MH Gold on 18 December 2015. The forfeiture claims are being dealt with by MH Gold and the Convergent Minerals Company administrator in conjunction with Kidman however it is noted that expenditures over the Mt Holland group of tenements that comprise the Mt Holland gold project exceeded their required expenditure commitments in the years prior to and up to administrators being appointed to Convergent Minerals Ltd. The existence of forfeiture claims do not stop Kidman from conducting any field work at Mt Holland and as such the company has, in the last two quarters of FY16, designed drill programs over the Blue Vein deposit and other exploration programs on some regional targets within the 50km of greenstone strike covered by the tenement package.

March Qtr FY16 saw drilling commence over Blue Vein with a Plan of Work already submitted to the WA department for drilling approvals, as well as other exploration programs, over the entire tenement package.

During December and March of FY16, the company embarked on an exhaustive review of the Lithium potential at Mt Holland with initial observations suggesting this is significant with numerous pegmatites identified over the 50km of geological structure covered by the Mt Holland tenements. The core farm from the historic Bounty Gold mine contained hundreds of diamond drill holes with many intersecting pegmatites that had not previously been sampled.

After submitting these core samples for assaying, we are now in the position to confirm that, although we are in our infancy of understanding the full potential of Lithium at Mt Holland, this it is a highly prospective Lithium region.

Settlement of the sale of the Gunga project (including the satellite Gunga West open pit) to Metals X Ltd also occurred through the June Qtr FY16.

NSW Activities

Minimal exploration activities where undertaken on the Crowl Creek and Brown's Reef Projects during the year.

NT Activities

Minimal exploration activities where undertaken at the Home of Bullion Project during the year.

Kidman Resources Limited
Directors' report
30 June 2016

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kidman Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2016.

Directors
The following persons were directors of Kidman Resources Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Mr Peter Lester (Non-Executive Chairman) (appointed 13 November 2015)
Mr Martin Donohue (Managing Director)
Mr Brad Evans (Non-Executive Director)
Mr Garrick Higgins (Non-Executive Chairman) (resigned 13 November 2015)

Principal activities
During the financial year the principal continuing activities of the consolidated entity consisted of:

- Exploration and development of precious and base metals deposits in New South Wales, Western Australia and Northern Territory.
- Development of the Company's Burbanks Gold Project located in Western Australia.
- Acquisition of the Mt Holland asset located in Western Australia
- Carrying out all requirements in relation to the acquisition of the Mt Holland Project, located in Western Australia.

Dividends
There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations
The loss for the consolidated entity after providing for income tax amounted to $4,288,364 (30 June 2015: $8,537,727).

Refer to the detailed review of operations preceding this report for further information on the consolidated entity's activities.

Financial Position

The net assets of the consolidated entity increased by $5,393,485 to $14,418,463 as at 30 June 2016 (2015: $9,024,978).

The consolidated entity's working capital, being current assets less current liabilities was $209,644 at 30 June 2016 (2015: $326,630). During the period the consolidated entity had a negative cash flow from operating activities of $1,378,437 and $3,884,581 from exploration and evaluation activities (2015: $1,975,409 operating activities and $1,999,726 from exploration and evaluation activities). The increase in the consolidated entity's net asset position amount was a result of capital raisings completed during the first half of 2016.

Subsequent to the end of the financial year and as noted below, the Company raised $21,000,000 (before costs).

As a result of the above the Directors believe the consolidated entity is in a strong and stable position to expand and grow its current operations.

Significant changes in the state of affairs
On 14 August 2015, the Company issued 12,700,000 fully paid ordinary shares to reduce outstanding liabilities of the Company with a deemed issue price of $0.075 (7.5 cents) per share.

On 27 November 2015, the Company issued 9,549,824 fully paid ordinary shares following receipt of shareholder approval at the Company's 2015 Annual General Meeting in order to reduce outstanding liabilities of the Company. The shares were issued at a deemed issue price of $0.105 (10.5 cents) per share. The Company also issued 500,000 fully paid ordinary shares following satisfaction of performance right conditions to an employee of the Company.

On 27 January 2016 the Company announced that it acquired the remaining 20% interest in the Burbanks and Gunga West gold mines in WA from its joint venture partner. The total consideration for the acquisition was $1.5 million being a reduction to the price agreed in the original agreement (originally $3 million) with Blue Tiger Mines Pty Ltd. The reduction reflects the decision to buy out the remaining 20%, on newly agreed terms, well ahead of the expiry date of the option, being 29 May, 2018, as provided under the initial acquisition agreement. The Company also entered into a Deed of Termination and settlement that released Kidman Resources Limited of all monies owed to Blue Tiger Mines Pty Ltd and Blue Tiger Mining Pty Ltd under the Joint Venture agreement and the mining services agreement.

On 1 March 2016 the Company announced that it had signed a binding Share Sale Agreement for the acquisition of the Mt Holland goldfield in WA. Under the terms of the binding Share Sale Agreement, the Company will initially pay $2 million in cash upon shareholder approval and an additional $1.5 million in either cash or equity (at the company's discretion) once certain conditions are met in relation to forfeiture claims that were lodged over some tenements prior to the entity entering into the HOA.

On 11 March 2016, the Company completed a share placement and issued 35,590,001 fully paid ordinary shares raising a total of $3,025,150 (before costs) to be used for Burbanks, Mt Holland partial acquisition and working capital with a deemed issue price of $0.085 (8.5 cents) per share.

On 31 March 2016 the Company entered into a binding Heads of Agreement to sell its Gunga West Gold Project near Kalgoorlie to Metals X Limited. The transaction comprised of $1,500,000, a further payment of $500,000 upon production of 10,000 oz at Gunga West and a final $500,000 upon production of 30,000 oz. Completion of the initial transaction consideration was finalised during the period.

On 10 May 2016 the Company completed a Pro-rata non-renounceable Rights issue in which 19,297,506 shares were subscribed for at $0.085 (8.5 cents) per share. The Company also offered 1 free attaching option for every 2 shares successfully subscribed for, exercisable at $0.15 (15 cents) on 30 April 2018.

On 17 May 2016 the Company issued 17,795,000 listed options to clients of PAC Partners Pty Ltd, as approved by shareholders at a General Meeting of shareholders held on 16 May 2016, the options are exercisable at $0.15 (15 cents) on 30 April 2018.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year
On 21 July 2016 the Company issued 450,000 employee performance rights with the requirement for continued employment with the Company at the time of vesting. The Performance Rights will vest where the Company's share price is equal to or greater than the 20 day VWAP of $0.40 (40 cents) on or before 30 June 2019.

On 25 August 2016 the consolidated entity announced placement to issue 59,100,000 fully paid ordinary shares and 1,000,000 employee performance rights with the condition of continued employment with the Company at the time of vesting. The Performance Rights will vest where the Company's share price is equal to or greater than the 20 day VWAP of $0.40 (40 cents) on or before 30 September 2017.

Subsequent to the end of the financial year, the Company completed the acquisition of the Mt Holland gold-lithium project in WA. Shareholders approved the transaction on 29 June 2016 and the final documentation, share transfers and payment of $2,000,000 was made in July 2016. As part of the acquisition, deferred consideration was required to be paid once certain forfeiture claims are resolved. The deferred consideration was agreed to be paid in shares following renegotiation of a cash finance facility.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations
The focus of the consolidated entity will be to exploit its current exploration areas of interest in the Northern Territory, Western Australia and New South Wales, whilst reviewing opportunities to raise further capital in the future.

The consolidated entity is currently focusing on its recently acquired Burbanks Joint Venture operation in Western Australia of which Kidman holds a 100% working interest.

The consolidated entity is also focused on completing the acquisition of MH Gold Pty Ltd, and exploring the lithium potential at the Mount Holland project, located near Southern Cross in WA.

Environmental regulation

The consolidated entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. During the 2016 financial year, one reportable environmental incident occurred at Coolgardie, in relation to an unauthorised discharge of saline water by a contractor. This incident was reported by Kidman site management to the Department of Environment Regulation. There has been no regulatory response or action in relation to this incident.

information on directors

Name:	Mr Peter Lester (appointed 13 November 2015)
Title:	Non-Executive Chairman
Experience and expertise:	Peter is a mining engineer with more than 40 years' experience in the mining industry in various roles including construction, project and mine management. Corporate and financial advisory services and in business development with responsibility for strategic planning and corporate development, predominantly in precious and base metals. He has worked in operational roles at Mt Isa and Broken Hill, as well as senior executive positions with North Ltd, Newcrest Mining Limited, Oxiana / Oz Minerals Limited and Citadel Resources Group Limited.
Other current directorships:	Doray Minerals Limited (ASX: DRM) and White Rock Minerals Limited (ASX: WRM) and Nord Gold SE (London GDR)
Former directorships (last 3 years):	Chesser Resources Ltd (resigned 12 February 2015) and Toro Energy Ltd (resigned 17 November 2014)
Interests in shares:	Nil
Interests in options:	Nil
Interests in rights:	Nil

Name:	Mr Martin Donohue
Title:	Managing Director
Experience and expertise:	Martin Donohue was the founder of Kidman Resources Limited. He has had over 15 years' experience in equity capital markets and the natural resources sector where he has been directly involved in evaluating mineral projects at various stages of development and raising capital. Mr Donohue is a director of several private and public companies focused on base and precious metals with projects in Australia and Sub Saharan Africa. He is also the principal of Penstock Advisory, a private consulting and investment company based in Melbourne that specialises in identifying, managing and developing mineral projects in Australia and overseas. Mr Donohue has been instrumental in putting together Kidman's portfolio of mineral projects in Australia.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	None
Interests in shares:	2,905,000 fully paid ordinary shares
Interests in rights:	1,000,000 performance rights

Name:	Mr Brad Evans
Title:	Non-Executive Director
Experience and expertise:	Mr Evans is a mining engineer with over 17 years' experience within the mining industry and is currently General Manager of Mining Plus, an international Mining Consultancy. Mr Evans has a multitude of experience ranging from mine production, planning and management on mine sites, to organisation leadership within Mine Plus. Mr Evans has led the growth of Mining Plus from 10 to 60 employees and it now has offices in five countries around the world. He is the holder of a First Class Mine Manager's Certificate of Competency in both Western Australia and New South Wales.
Other current directorships:	None
Former directorships (last 3 years):	None
Interests in shares:	102,547 fully paid ordinary shares
Interests in options:	12,819 quoted options

Name:	Mr Garrick Higgins (resigned 13 November 2015)
Title:	Non-Executive Chairman
Qualifications:	B. Juris, LLB
Experience and expertise:	Mr Garrick Higgins is a partner of law firm Grillo Higgins. His practice encompasses the corporate and securities industry, including mergers and acquisitions, takeovers, capital raisings, company floats and joint ventures. He has extensive experience in the mining, minerals, oil and gas sectors. He has been a director of a number of ASX Listed companies operating in the mining and resources sector.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Special responsibilities:	N/A
Interests in shares:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

'Former directorships (in the last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships in all other types of entities, unless otherwise stated.

Interests in shares and options stated above are as at the date of this financial report.

Company secretaries

Melanie Leydin holds a Bachelor of Business majoring in Accounting and Corporate Law. She is a member of the Institute of Chartered Accountants and is a Registered Company Auditor. She graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer.

The practice provides outsourced company secretarial and accounting services to public and private companies specialising in the Resources, technology, bioscience and biotechnology sector.

Melanie has over 23 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Justin Mouchacca holds a Bachelor of Business majoring in Accounting. He graduated from RMIT University in 2008, became a Chartered Accountant in 2011 and since July 2013 has been the principal of chartered accounting firm, Leydin Freyer Corp Pty Ltd.

Justin has over 9 years' experience in the accounting profession and has extensive experience in relation to public company responsibilities, including ASX and ASIC compliance, control and implementation of corporate governance, statutory financial reporting, reorganisation of Companies and shareholder relations.

Chief Financial Officer

Jason Eveleigh was appointed Chief Financial Officer of the consolidated entity effective 1 July 2016. Jason is a qualified Chartered Accountant with Ernest & Young in London, England.

Jason has been active in private mergers and acquisitions and has been engaged in the Australian financial services industry for the last decade providing compliance and financial support to corporate advisors. He has extensive capital markets experience and has developed a close working relationship with both the mining and exploration arms of the business.

Meetings of directors
The number of meetings of the company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2016, and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Mr Peter Lester	8	8	-	-
Mr Martin Donohue	12	12	-	-
Mr Brad Evans	11	12	1	1
Mr Garrick Higgins*	4	4	1	1

Held: represents the number of meetings held during the time the director held office or was a member of the relevant committee.

* Mr Garrick Higgins resigned on 13 November 2015.

As at 30 June 2016, there are no longer any committee's and the Board of Directors are responsible for carrying out the duties of the audit committee and remuneration and nomination committee.

Remuneration report (audited)
The remuneration report, which has been audited, outlines the director and executive remuneration arrangements for the consolidated entity and the company, in accordance with the requirements of the Corporations Act 2001 and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Service agreements
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
The objective of the consolidated entity's and company's executive reward framework is to ensure reward for performance is competitive and appropriate for the results delivered. The framework aligns executive reward with the achievement of strategic objectives and the creation of value for shareholders, and conforms with the market best practice for delivery of reward. The Board of Directors ('the Board') ensures that executive reward satisfies the following key criteria for good reward governance practices:
- competitiveness and reasonableness
- acceptability to shareholders
- alignment of executive compensation
- transparency

The Board is responsible for determining and reviewing remuneration arrangements for its directors and executives. The performance of the consolidated entity and company depends on the quality of its directors and executives. The remuneration philosophy is to attract, motivate and retain high performance and high quality personnel.

The Board has structured an executive remuneration framework that is market competitive and complementary to the reward strategy of the consolidated entity and company.

The reward framework is designed to align executive reward to shareholders' interests. The Board have considered that it should seek to enhance shareholders' interests by:
- focuses on sustained growth in shareholder wealth, growth in share price, and delivering constant or increasing return on assets as well as focusing the executive on key non-financial drivers of value
- attracts and retains high calibre executives

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Additionally, the reward framework should seek to enhance executives' interests by:
- rewards capability and experience
- reflects competitive reward for contribution to growth in shareholder wealth
- provides a clear structure for earning rewards

In accordance with best practice corporate governance, the structure of non-executive director and executive director remuneration is separate.

Non-executive directors remuneration
Fees and payments to non-executive directors reflect the demands which are made on, and the responsibilities of, the directors. Non-executive directors' fees and payments are reviewed annually by the Board. The chairman's fees are determined independently to the fees of other non-executive directors based on comparative roles in the external market. The chairman is not present at any discussions relating to determination of his own remuneration.

ASX listing rules requires that the aggregate non-executive directors remuneration shall be determined periodically by a general meeting. The most recent determination was at the General Meeting held on 20 May 2010, where the shareholders approved an aggregate remuneration of $300,000.

Executive remuneration
The consolidated entity and company aims to reward executives with a level and mix of remuneration based on their position and responsibility, which is both fixed and variable.

The executive remuneration and reward framework has three components:
- base pay and non-monetary benefits
- share-based payments
- other remuneration such as long service leave

The combination of these comprises the executive's total remuneration.

Fixed remuneration, consisting of base salary, superannuation and non-monetary benefits, are reviewed annually by the Board, based on individual and business unit performance, the overall performance of the consolidated entity and comparable market remunerations.

Executives can receive their fixed remuneration in the form of cash or other fringe benefits (for example motor vehicle benefits) where it does not create any additional costs to the consolidated entity and adds additional value to the executive.

The long-term incentives ('LTI') includes share-based payments. Shares are awarded to executives over a period of three years based on long-term incentive measures. These include increase in shareholders value relative to the entire market and the increase compared to the consolidated entity's direct competitors. The Board will review the long-term equity-linked performance incentives specifically for executives on an on-going basis.

Consolidated entity performance and link to remuneration
Remuneration for certain individuals is not directly linked to performance of the consolidated entity. An individual member of staff's performance assessment is done by reference to their contribution to the Company's overall operational achievements. All Directors and Executives hold shares and options in the Company to facilitate goal congruence between Executives with that of the business and shareholders.

The Board is of the opinion that the continued improved results can be attributed in part to the adoption of performance based compensation and is satisfied that this improvement will continue to increase shareholder wealth if maintained over the coming years.

Short Term Incentive
Each year the Board sets the key performance indicators (KPI's) for the key management personnel. The KPI's generally include measures relating to the Consolidated Entity, and include a mixture of business development, operational, and investor relation performance indicators as appropriate to the executive. The Short Term Incentive Plan seeks to align the interests of the executive with those of the board and senior management, as this is based on more individual performance indicators relevant to the executive.

Long Term Incentive
The LTI consists of a grant of performance rights to key executives. Grants of performance rights are made on a conditional basis to executives by way of issue at nil cost both at the time of grant. Vesting is contingent on the performance of share price and is subject to the continued employment of the executive. The long term incentive plan seeks to align the interests of executives with those of shareholders as it seeks to incentivise executives to increase share price. Where that occurs it provides a financial incentive to the executives directly linked to the share price.

The Board considers that the above performance-linked compensation structure will generate the desired outcome in respect of attracting and retaining high calibre employees.

Voting and comments made at the company's 13 November 2015 Annual General Meeting ('AGM')
The company received 99.70% of 'for' votes in relation to its remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

Details of remuneration

Amounts of remuneration
Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

Details of the remuneration of the directors, other key management personnel (defined as those who have the authority and responsibility for planning, directing and controlling the major activities of the consolidated entity) of Kidman Resources Limited are set out in the following tables.

	Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payments	
2016	Cash salary and fees $	Non-monetary $	Super-annuation $	Termination Payments $	Long service leave $	Equity-settled (rights) $	Total $
Non-Executive Directors:							
Mr Peter Lester*	37,959	-	3,606	-	-	-	41,565
Mr Brad Evans*	39,711	-	289	-	-	-	40,000
Mr Garrick Higgins**	22,000	-	-	-	-	-	22,000
Executive Directors:							
Mr Martin Donohue	396,000	-	-	-	-	64,975	460,975
Other Key Management Personnel:							
Anthony Davis****	302,750	-	25,000	104,115	-	26,767	458,632
Ms Melanie Leydin ***	109,000	-	-	-	-	-	109,000
	907,420	-	28,895	104,115	-	91,742	1,132,172

* Mr Brad Evans was appointed on 28 October 2014, and Mr Peter Lester was appointed on 13 November 2015.
** Mr Garrick Higgins resigned from his position on the 13 November 2015.
*** Fees paid to Leydin Freyer Corp Pty Ltd, of which Melanie Leydin and Justin Mouchacca are Directors, in respect of Company Secretarial, Chief Financial Officer and Accounting services.
**** Mr Davis ceased his role as Chief Operating Officer on 21 April 2016.
***** Mr Jason Eveleigh was appointed as Chief Financial Officer on 1 July 2016.

2015	Short-term benefits		Post-employment benefits	Long-term benefits		Share-based payments	
	Cash salary and fees $	Non-monetary $	Super-annuation $	Termination Payments $	Long service leave $	Equity-settled (rights) $	Total $
Non-Executive Directors:							
Mr Garrick Higgins	66,000	-	-	-	-	-	66,000
Mr Brad Evans *	24,753	-	2,352	-	-	-	27,105
Mr Andrew McIlwain **	21,667	-	-	-	-	-	21,667
Executive Directors:							
Mr Martin Donohue	224,474	-	15,970	-	-	43,317	283,761
Other Key Management Personnel:							
Ms Melanie Leydin ***	107,000	-	-	-	-	-	107,000
Anthony Davis ****	108,750	-	5,550	-	-	7,656	121,956
	552,644	-	23,872	-	-	50,973	627,489

* Mr Brad Evans was appointed on 28 October 2014.
** Mr Garrick Higgins resigned on from his position on 28 October 2014.
*** Fees paid to Leydin Freyer Corp Pty Ltd, of which Justin Mouchacca is also a Director, in respect of Company Secretarial, Chief Financial Officer and Accounting services.
**** Mr Anthony Davis was appointed Chief Operating Officer on 29 April 2015.

The proportion of remuneration linked to performance and the fixed proportion are as follows:

Name	Fixed remuneration		At risk - STI		At risk - LTI	
	2016	2015	2016	2015	2016	2015
Non-Executive Directors:						
Mr Peter Lester *	100%	100%	-	-	-	-
Mr Garrick Higgins **	-	100%	-	-	-	-
Mr Brad Evans	100%	100%	-	-	-	-
Executive Directors:						
Mr Martin Donohue	86%	85%	-	-	14%	15%
Other Key Management Personnel:						
Ms Melanie Leydin	-	100%	-	-	-	-
Mr Anthony Davis ***	94%	94%	-	-	6%	6%

* Appointed on 13 November 2015.
** Resigned on 13 November 2015.
*** Resigned on 21 April 2016.

Service agreements
Remuneration and other terms of employment for key management personnel are formalised in service agreements. Details of these agreements are as follows:

Name:	Mr Martin Donohue
Title:	Managing Director
Agreement commenced:	1 May 2015
Term of agreement:	The contract is for a 24 month term to 1 May 2017.
Details:	The Consulting Agreement may be terminated in circumstances described below with the remuneration consequences as noted to the extent permitted by the Corporations Act and Listing Rules. Resignation period by the Managing Director is six month's notice. Termination by the company giving six months notice in writing or payment in lieu thereof, or a combination of notice and payment in lieu. The Company can immediately terminate Mr Donohue's employment with cause, in a number of circumstances, including where there is a serious breach of the Employment Agreement, serious misconduct, bankruptcy or conviction of any criminal offence

Share-based compensation

Issue of shares
There were 500,000 fully paid ordinary shares issued to Anthony Davis following the satisfaction of employee Performance Rights vesting conditions on 27 November 2015.

Options
There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2016.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016.

Performance rights
The terms and conditions of each grant of performance rights over ordinary shares affecting remuneration of directors and other key management personnel in this financial year or future reporting years are as follows:

Grant date	Vesting date and exercisable date	Expiry date	Hurdle price	Fair value per right at grant date
24/11/2014	30/09/2016	10/10/2016	$0.200	$0.069
24/11/2014	30/09/2017	10/10/2017	$0.300	$0.076
24/11/2014	30/09/2017	10/10/2017	$0.400	$0.075

* These performance rights vest when the performance conditions are met, the vesting conditions are when the Company's share price is equal to or greater than a 20 day Volume Weighted Average Price of the each rights hurdle price.

Performance rights granted carry no dividend or voting rights.

The number of performance rights over ordinary shares granted to and vested by directors and other key management personnel as part of compensation during the year ended 30 June 2016 are set out below:

Name	Number of rights granted during the year 2016	Number of rights granted during the year 2015	Number of rights vested during the year 2016	Number of rights vested during the year 2015
Mr Martin Donohue	-	2,250,000	-	-
Mr Anthony Davis	-	2,250,000	500,000	-

Additional information

The earnings of the consolidated entity for the five years to 30 June 2016 are summarised below:

	2016 $	2015 $	2014 $	2013 $	2012 $
Revenue	7,644,799	44,375	129,524	147,253	125,738
Net profit/(loss) before tax	(6,250,166)	(8,537,727)	(1,066,709)	(536,100)	(746,387)
Net profit/(loss) after tax	(4,288,364)	(8,537,727)	(1,066,709)	(536,100)	(746,387)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2016	2015	2014	2013	2012
Share price at beginning of year ($)	0.09	0.06	0.23	0.13	0.47
Share price at end of year ($)	0.16	0.09	0.06	0.23	0.13
Basic earnings per share (cents per share)	(2.69)	(7.23)	(0.99)	(0.65)	(1.57)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Received as part of remuneration	Additions	Other	Balance at the end of the year
Ordinary shares					
Mr Garrick Higgins **	1,055,001	-	-	(1,055,001)	-
Mr Martin Donohue	1,655,000	-	-	-	1,655,000
Mr Brad Evans	76,910	-	25,637	-	102,547
Ms Melanie Leydin	72,500	-	-	-	72,500
Mr Justin Mouchacca	10,000	-	10,000	-	20,000
Mr Anthony Davis ***	-	500,000	-	(500,000)	-
	2,869,411	500,000	35,637	(1,555,001)	1,850,047

* Resigned 13 November 2015.
** Resigned 21 April 2016.

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Exercised	Expired	Balance at the end of the year
Options over ordinary shares					
Mr Brad Evans	-	12,819	-	-	12,819
Mr Justin Mouchacca	-	2,500	-	-	2,500
	-	15,319	-	-	15,319

* Quoted options exercisable at $0.15 (15 cents) expiring on or before 30 April 2018.

Performance rights holding
The number of performance rights over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the year
Performance rights over ordinary shares					
Mr Martin Donohue	2,250,000	-	-	-	2,250,000
Mr Anthony Davis*	2,250,000	-	(500,000)	(1,750,000)	-
	4,500,000	-	(500,000)	(1,750,000)	2,250,000

* Mr Davis ceased to be employed during the financial year and the performance rights lapsed.

This concludes the remuneration report, which has been audited.

Shares under option
Unissued ordinary shares of Kidman Resources Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
19 April 2016	30 April 2018	$0.150	47,453,487

Shares under performance rights
Unissued ordinary shares of Kidman Resources Limited under performance rights at the date of this report are as follows:

Grant date	Expiry date	Hurdle price	Number under rights
24/11/2014	10/10/2017	$0.400	1,000,000
21/07/2016	30/09/2019	$0.400	450,000
25/08/2016	30/09/2017	$0.400	1,000,000
			2,450,000

The consolidated entity has adopted the Binomial pricing model when valuing these rights. The performance rights listed above will vest when the Company's share price is equal to or greater than a 20 day Volume Weighted Average Price of the hurdle price of each right.

No person entitled to exercise the performance rights had or has any right by virtue of the performance right to participate in any share issue of the company or of any other body corporate.

Shares issued on the exercise of performance rights
On 27 November 2015, the Company 500,000 fully paid ordinary shares following satisfaction of performance conditions to an employee of the company.

On 25 August 2016, the Company issued 1,250,000 fully paid ordinary shares following satisfaction of performance conditions to an employee of the company.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

During the financial year, the company has not paid a premium in respect of a contract to insure the auditor of the company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
Details of the amounts paid or payable to the auditor for non-audit services provided during the financial year by the auditor are outlined in note 25 to the financial statements.

The directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The directors are of the opinion that the services as disclosed in note 25 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the company, acting as advocate for the company or jointly sharing economic risks and rewards.

Officers of the company who are former partners of Grant Thornton
There are no officers of the company who are former partners of Grant Thornton.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

Auditor
Grant Thornton continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Peter Lester
Non-Executive Chairman

30 September 2016
Melbourne

Grant Thornton

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Auditor's Independence Declaration
To the Directors of Kidman Resources Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Kidman Resources Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B.A Mackenzie
Partner - Audit & Assurance

Melbourne, 30 September 2016

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Kidman Resources Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Revenue	5	7,644,799	44,375
Other income	6	827,881	-
Cost of sales		(10,061,090)	-
Expenses			
Employee benefits expense	7	(1,103,261)	(398,677)
Depreciation and amortisation expense	7	(125,407)	(37,787)
Impairment of assets	14	(1,261,431)	(6,235,837)
Loss on available for sale financial assets		-	(794,742)
Administration expenses		(420,902)	(231,499)
Corporate expenses		(747,493)	(782,174)
Finance costs	7	(646,885)	(101,386)
Loss on sale of joint operation		(69,882)	-
Realised loss on loan settlement	7	(286,495)	-
Loss before income tax benefit		(6,250,166)	(8,537,727)
Income tax benefit	8	1,961,802	-
Loss after income tax benefit for the year attributable to the owners of Kidman Resources Limited		(4,288,364)	(8,537,727)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Kidman Resources Limited		(4,288,364)	(8,537,727)
		Cents	**Cents**
Basic earnings per share	37	(2.69)	(7.23)
Diluted earnings per share	37	(2.69)	(7.23)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Kidman Resources Limited
Statement of financial position
As at 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Assets			
Current assets			
Cash and cash equivalents	9	4,752,226	2,733,404
Trade and other receivables	10	401,251	460,912
Prepayments	11	35,472	50,133
Total current assets		5,188,949	3,244,449
Non-current assets			
Property, plant and equipment	12	522,163	234,182
Intangibles	13	41,751	65,473
Exploration and evaluation	14	14,386,911	11,954,197
Mines under development	15	4,937,803	2,430,000
Other	16	134,133	163,148
Total non-current assets		20,022,761	14,847,000
Total assets		25,211,710	18,091,449
Liabilities			
Current liabilities			
Trade and other payables	17	3,860,113	2,844,929
Borrowings	18	1,000,000	-
Employee benefits		119,192	72,890
Total current liabilities		4,979,305	2,917,819
Non-current liabilities			
Borrowings	19	5,741,345	6,100,693
Employee benefits		22,597	7,959
Provisions		50,000	40,000
Total non-current liabilities		5,813,942	6,148,652
Total liabilities		10,793,247	9,066,471
Net assets		14,418,463	9,024,978
Equity			
Issued capital	20	29,847,701	20,223,171
Reserves	21	108,292	50,973
Accumulated losses		(15,537,530)	(11,249,166)
Total equity		14,418,463	9,024,978

The above statement of financial position should be read in conjunction with the accompanying notes

Kidman Resources Limited
Statement of changes in equity
For the year ended 30 June 2016

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2014	19,826,632	(2,775,789)	64,350	17,115,193
Loss after income tax expense for the year	-	(8,537,727)	-	(8,537,727)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(8,537,727)	-	(8,537,727)
Transactions with owners in their capacity as owners:				
Share-based payments	-	-	50,973	50,973
Issue of shares	403,116	-	-	403,116
Lapse of options	-	64,350	(64,350)	-
Less capital raising costs	(6,577)	-	-	(6,577)
Balance at 30 June 2015	20,223,171	(11,249,166)	50,973	9,024,978

Consolidated	Contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2015	20,223,171	(11,249,166)	50,973	9,024,978
Loss after income tax benefit for the year	-	(4,288,364)	-	(4,288,364)
Other comprehensive income for the year, net of tax	-	-	-	-
Total comprehensive income for the year	-	(4,288,364)	-	(4,288,364)
Transactions with owners in their capacity as owners:				
Issue of shares	10,022,312	-	-	10,022,312
Less capital raising costs	(432,205)	-	-	(432,205)
Share based payments	-	-	91,742	91,742
Transfer from option reserve on the vesting of performance rights	34,423	-	(34,423)	-
Balance at 30 June 2016	29,847,701	(15,537,530)	108,292	14,418,463

The above statement of changes in equity should be read in conjunction with the accompanying notes

Kidman Resources Limited
Statement of cash flows
For the year ended 30 June 2016

	Note	Consolidated 2016 $	Consolidated 2015 $
Cash flows from operating activities			
Receipts from customers		7,457,413	-
Payments to suppliers and employees (inclusive of GST)		(9,038,075)	(2,017,136)
		(1,580,662)	(2,017,136)
Interest received		28,392	41,727
Other revenue		144,818	-
Payments for security bonds on operating activities		29,015	-
Net cash used in operating activities	35	(1,378,437)	(1,975,409)
Cash flows from investing activities			
Loan provided to MH Gold		(209,281)	-
Payments for security deposits on exploration licenses		-	5,444
Payments for property, plant and equipment		(389,666)	(59,033)
Payments for intangibles		-	(45,617)
Payments for exploration and evaluation		(3,884,581)	(1,999,726)
Payments for acquisition of subsidiary, net of cash acquired		(1,254,089)	(3,000,000)
Net proceeds from sale of investments		-	873,894
Proceeds from disposal of Gunga West		1,500,000	-
Net cash used in investing activities		(4,237,617)	(4,225,038)
Cash flows from financing activities			
Proceeds from issue of shares	20	8,067,181	-
Costs from issue of shares		(432,305)	(6,577)
Proceeds from borrowings		-	6,000,000
Net cash from financing activities		7,634,876	5,993,423
Net increase/(decrease) in cash and cash equivalents		2,018,822	(207,024)
Cash and cash equivalents at the beginning of the financial year		2,733,404	2,940,428
Cash and cash equivalents at the end of the financial year	9	4,752,226	2,733,404

The above statement of cash flows should be read in conjunction with the accompanying notes

Kidman Resources Limited
Notes to the financial statements
30 June 2016

Note 1. General information

The financial statements cover Kidman Resources Limited as a consolidated entity consisting of Kidman Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Kidman Resources Limited's functional and presentation currency.

Kidman Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Level 4 100 Albert Road South Melbourne VIC 3025	Suite 3 Level 4, 12-20 Flinders Lane Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2016. The directors do not have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. However, during the financial year ended 30 June 2016 the consolidated entity experienced operating losses before tax of $6,250,166 (30 June 2015: $8,537,727). At 30 June 2016 the consolidated entity had cash and cash equivalents of $4,752,226 (30 June 2015: $2,733,404) and net current liabilities, being current assets less current liabilities, of $209,644 (30 June 2015: $326,630). Cash outflows from operating activities during the financial year were $1,378,437 (30 June 2015: $1,975,409).

Subsequent to year the Company announced a capital raising of $21 million, of which 56.6 million fully paid ordinary shares were issued, at an issue price of $0.285 (28.5 cents) per share, raising approximately $16.1 million (before costs). The remaining funds pursuant to the capital raising were subject to shareholder approval, which has been scheduled for 27 September 2016. The proceeds from the capital raising will be used to accelerate exploration activities at the Company's Mt Holland Project, strengthen the Company's balance sheet and for working capital purposes.

The Directors are of the opinion that the existing cash reserves will provide the Company with adequate funds to ensure its continued viability and operate as a going concern.

The Company continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately without negatively impacting upon planned activities. On this basis the directors consider that the consolidated entity remains a going concern and these financial statements have been prepared on this basis.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Note 2. Significant accounting policies (continued)

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of available-for-sale financial assets, financial assets and liabilities at fair value through profit or loss, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Parent entity information
In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 29.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Kidman Resources Limited ('company' or 'parent entity') as at 30 June 2016 and the results of all subsidiaries for the year then ended. Kidman Resources Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the consolidated entity loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The consolidated entity recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Operating segments
Operating segments are presented using the 'management approach', where the information presented is on the same basis as the internal reports provided to the Chief Operating Decision Makers ('CODM'). The CODM is responsible for the allocation of resources to operating segments and assessing their performance.

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Gold sales
Revenue from the sale of gold is recognised when the significant risks and rewards of ownership have transferred to the buyer and no further processing is required by the Company, the quantity of the gold has been determined with reasonable accuracy, the price is determinable, and collection has occurred.

Note 2. Significant accounting policies (continued)

Interest
Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Current and non-current classification
Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the consolidated entity's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Cash and cash equivalents
Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Note 2. Significant accounting policies (continued)

Joint operations
A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The consolidated entity has recognised its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate classifications.

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Property, plant and equipment
Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Plant and equipment	3-7 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss. Any revaluation surplus reserve relating to the item disposed of is transferred directly to retained profits.

Intangible assets
Software
Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite life of 5 years.

Note 2. Significant accounting policies (continued)

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

Mining assets
Mining rights
Capitalised mining costs include expenditures incurred to acquire the rights to mine in an area of interest.

Mining development
Costs to develop new ore bodies, to define further mineralisation in existing ore bodies, to expand the capacity of a mine and to maintain production are capitalised as incurred. Costs from exploration and evaluation phase are transferred to mining development once production commences in the area of interest.

Amortisation of mining rights and development is computed by the units of production basis over the estimated proved and probable reserves. Proved and probable mineral reserves reflect estimated quantities of economically recoverable reserves which can be recovered in the future from known mineral deposits. These reserves are amortised from the date on which production commences. The amortisation is calculated from recoverable proven and probable reserves and a predetermined percentage of the recoverable measured, indicated and inferred resource. This percentage is reviewed annually.

Restoration costs expected to be incurred are provided for as part of development phase that give rise to the need for restoration.

Mines under construction
Expenditure is transferred from 'Exploration and evaluation assets' to 'Mines under construction' which is a sub-category of 'Mines properties' once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in 'Mines under construction'. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended, are capitalised, net of any proceeds received from selling any product producing while testing. Where these proceeds exceed the cost of testing, any excess is recognised in the statement of profit or loss and other comprehensive income. After productions starts, all assets included in 'Mines under construction' are then transferred to 'Producing mines'which is also a sub-category of 'Mine properties'.

Accounting for land acquisitions
Obtaining the legal rights to explore for, develop and produce minerals can be achieved in a number of ways. One of these ways is through the outright purchase of the minerals and the land on, or under, which the minerals are located. In undertaking such a transaction, it is not uncommon for an entity to pay an amount in excess of the intrinsic value of the land itself. In such a situation, an entity needs to ensure it appropriately allocates the purchase price between the fair value of the land and the fair value of the mineral or surface mining rights acquired. The amount allocated to land will be capitalised and not depreciated, whereas the amount allocated to the minerals or surface mining rights will form part of the total cost of mining assets and will ultimately be depreciated on a UOP basis over the economically recoverable reserves to which it relates.

Impairment of non-financial assets
Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Note 2. Significant accounting policies (continued)

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

Finance costs
Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

Provisions
Provisions are recognised when the consolidated entity has a present (legal or constructive) obligation as a result of a past event, it is probable the consolidated entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for long service leave not expected to be settled within 12 months of the reporting date are recognised in non-current liabilities, provided there is an unconditional right to defer settlement of the liability. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions are measured at fair value on grant date. Fair value is independently determined using either the Binomial or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

Note 2. Significant accounting policies (continued)

The cost of equity-settled transactions are recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying either the Binomial or Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement
When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Business combinations
The acquisition method of accounting is used to account for business combinations regardless of whether equity instruments or other assets are acquired.

Note 2. Significant accounting policies (continued)

The consideration transferred is the sum of the acquisition-date fair values of the assets transferred, equity instruments issued or liabilities incurred by the acquirer to former owners of the acquiree and the amount of any non-controlling interest in the acquiree. For each business combination, the non-controlling interest in the acquiree is measured at either fair value or at the proportionate share of the acquiree's identifiable net assets. All acquisition costs are expensed as incurred to profit or loss.

On the acquisition of a business, the consolidated entity assesses the financial assets acquired and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic conditions, the consolidated entity's operating or accounting policies and other pertinent conditions in existence at the acquisition-date.

Where the business combination is achieved in stages, the consolidated entity remeasures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit or loss.

Contingent consideration to be transferred by the acquirer is recognised at the acquisition-date fair value. Subsequent changes in the fair value of the contingent consideration classified as an asset or liability is recognised in profit or loss. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity.

The difference between the acquisition-date fair value of assets acquired, liabilities assumed and any non-controlling interest in the acquiree and the fair value of the consideration transferred and the fair value of any pre-existing investment in the acquiree is recognised as goodwill. If the consideration transferred and the pre-existing fair value is less than the fair value of the identifiable net assets acquired, being a bargain purchase to the acquirer, the difference is recognised as a gain directly in profit or loss by the acquirer on the acquisition-date, but only after a reassessment of the identification and measurement of the net assets acquired, the non-controlling interest in the acquiree, if any, the consideration transferred and the acquirer's previously held equity interest in the acquirer.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and also recognises additional assets or liabilities during the measurement period, based on new information obtained about the facts and circumstances that existed at the acquisition-date. The measurement period ends on either the earlier of (i) 12 months from the date of the acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Earnings per share

Basic earnings per share
Basic earnings per share is calculated by dividing the profit attributable to the owners of Kidman Resources Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Note 2. Significant accounting policies (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2016. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018. The company has made a preliminary assessment of the changes and does not expect any material impact on implementation.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgments made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018. The company has made a preliminary assessment of the changes and does not expect any material impact upon implementation of the standard.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Share-based payment transactions
The consolidated entity measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the consolidated entity considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made.

Impairment of exploration and evaluation costs
The consolidated entity assesses impairment of exploration and evaluation costs at each reporting date by evaluating conditions specific to the consolidated entity and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined. This involves fair value less costs of disposal or value-in-use calculations, which incorporate a number of key estimates and assumptions.

Joint arrangements
The consolidated entity holds a 80% interest in the Burbanks Gold Mine and Coolgardie North gold project. The partnership agreements require unanimous consent from all parties for the project budget and all significant project expenditure and decisions. The two partners own the assets of the partnership as tenants in common and are jointly and severally liable for the liabilities incurred by the partnership. This entity is therefore classified as a joint operation and the consolidated entity recognises its direct right to the jointly held assets, liabilities, revenues and expenses as described in note 2.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity does not have any reportable operating segments as it solely operates in the exploration for base metal and rare earths industry within Australia. This internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources are prepared on the consolidated entity as a whole.

Note 5. Revenue

	Consolidated 2016 $	Consolidated 2015 $
Sales revenue		
Gold sales	7,457,413	-
Other revenue		
Interest	28,391	39,900
Fuel tax credits	131,480	-
Other revenue	27,515	4,475
	187,386	44,375
Revenue	7,644,799	44,375

Note 6. Other income

	Consolidated 2016 $	Consolidated 2015 $
Gain on acquisition of controlling interest	827,881	-

Refer to Note 30 business combinations for further details.

Note 7. Expenses

	Consolidated 2016 $	Consolidated 2015 $
Loss before income tax includes the following specific expenses:		
Depreciation		
Property, Plant and equipment	12,371	-
Motor vehicles	9,976	7
Office equipment	5,732	3,964
Computer equipment	2,079	5,728
Mining equipment	71,527	12,404
Total depreciation	101,685	22,103
Amortisation		
Software	23,722	15,684
Total depreciation and amortisation	125,407	37,787
Cost of sales		
Amortisation of mine	156,523	-
Employee benefits expense		
Wages and salaries	847,315	251,292
Defined contribution superannuation	37,648	7,556
Share based payments	91,742	50,973
Employee entitlements	48,021	62,519
Payroll tax	52,875	5,701
Other employment benefits	25,660	20,636
Total employee benefits expense	1,103,261	398,677
Finance costs		
Interest and finance charges paid/payable	646,885	101,386
Rental expense relating to operating leases		
Lease payments	61,050	57,487
Realised loss on loan settlement*	286,495	-

* On 27 November 2015 the consolidated entity issued 9,549,824 fully paid ordinary shares following receipt of shareholder approval received at the Company's 2015 Annual General Meeting held on 13 November 2015 in order to reduce outstanding liabilities of the Company. The shares issued had a deemed issue price of $0.075 (7.5 cents) per share at the date of approval, however on 27 November 2015 the fair value quoted price on the ASX was $0.105 (10.5 cents) per share giving rise to a difference to which has therefore been booked as 'Realised loss on loan settlement'.

Note 8. Income tax benefit

	Consolidated 2016 $	Consolidated 2015 $
Numerical reconciliation of income tax benefit and tax at the statutory rate		
Loss before income tax benefit	(6,250,166)	(8,537,727)
Tax at the statutory tax rate of 30%	(1,875,050)	(2,561,318)
Current year tax losses not recognised	(229,554)	1,396,750
Current year temporary differences not recognised	-	1,164,568
Permanent differences	165,096	-
Other	(22,294)	-
Income tax benefit	(1,961,802)	-

	Consolidated 2016 $	Consolidated 2015 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	23,493,922	22,415,075
Potential tax benefit @ 30%	7,048,177	6,724,523

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

The taxation benefits of tax losses and temporary differences not brought to account will only be obtained if:
i) the consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;

ii) the consolidated entity continues to comply with the conditions for deductibility imposed by law; and

iii) no change in tax legislation adversely affects the consolidated entity in realising the benefits from deducting the losses.

Deferred tax balances have been recognised for the first time in the financial year ended 30 June 2016.

The potential capital gains payable on this amounted to $1,961,802 and a deferred tax liability has been recognised. A deferred tax asset of $1,961,802 has also been recognised. Both have been offset against each other. An income tax benefit of $1,961,802 has been recognised in the financial year to 30 June 2016.

Note 9. Current assets - cash and cash equivalents

	Consolidated 2016 $	Consolidated 2015 $
Cash at bank	4,619,784	2,678,203
Cash on deposit	132,442	55,201
	4,752,226	2,733,404

The consolidated entity's exposure to interest rate and foreign currency risk is discussed in Note 23.

Note 10. Current assets - trade and other receivables

	Consolidated 2016 $	Consolidated 2015 $
Other receivables	14,177	11,485
Loan to MH Gold (1)	209,281	-
GST receivable	177,793	449,427
	401,251	460,912

The average credit period on trade and other receivables is 30 days. Due to the short term nature of the receivables their carrying value is assumed to approximate their fair value. No collateral or security is held. No interest is charged on the receivables. The consolidated entity has financial risk management policies in place to ensure that all receivables are received within the credit timeframe.

(1) Subsequent to year end, the consolidated entity acquired MH Gold Pty Ltd. The amount above represents the loan paid to MH Gold Pty Ltd as at 30 June 2016, which will eliminate on consolidation in future periods.

Note 11. Current assets - Prepayments

	Consolidated 2016 $	Consolidated 2015 $
Prepayments	35,472	50,133

Note 12. Non-current assets - property, plant and equipment

	Consolidated 2016 $	Consolidated 2015 $
Plant and equipment - at cost	207,278	-
Less: Accumulated depreciation	(12,371)	-
	194,907	-
Motor vehicles - at cost	59,640	5,280
Less: Accumulated depreciation	(9,983)	(7)
	49,657	5,273
Computer equipment - at cost	22,001	16,760
Less: Accumulated depreciation	(16,998)	(14,919)
	5,003	1,841
Office equipment - at cost	36,164	33,696
Less: Accumulated depreciation	(31,965)	(26,233)
	4,199	7,463
Mining Equipment at cost	377,375	256,887
Less: Accumulated depreciation	(108,978)	(37,282)
	268,397	219,605
	522,163	234,182

Note 12. Non-current assets - property, plant and equipment (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Property, Plant & Equipment $	Motor vehicles $	Computer Equipment $	Office Equipment $	Mining Equipment $	Total $
Balance at 1 July 2014	-	-	5,805	13,191	33,772	52,768
Additions	-	5,280	-	-	198,237	203,517
Depreciation expense	-	(7)	(3,964)	(5,728)	(12,404)	(22,103)
Balance at 30 June 2015	-	5,273	1,841	7,463	219,605	234,182
Additions	186,149	5,758	5,241	2,468	113,113	312,729
Additions through business combinations (note 30)	21,129	48,602	-	-	7,206	76,937
Depreciation expense	(12,371)	(9,976)	(2,079)	(5,732)	(71,527)	(101,685)
Balance at 30 June 2016	194,907	49,657	5,003	4,199	268,397	522,163

Note 13. Non-current assets - intangibles

	Consolidated 2016 $	Consolidated 2015 $
Software - at cost	120,239	120,239
Less: Accumulated amortisation	(78,488)	(54,766)
	41,751	65,473

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Software $	Total $
Balance at 1 July 2014	35,540	35,540
Additions	45,617	45,617
Amortisation expense	(15,684)	(15,684)
Balance at 30 June 2015	65,473	65,473
Amortisation expense	(23,722)	(23,722)
Balance at 30 June 2016	41,751	41,751

Note 14. Non-current assets - exploration and evaluation

	Consolidated 2016 $	Consolidated 2015 $
Exploration and evaluation assets	14,386,911	11,954,197

Note 14. Non-current assets - exploration and evaluation (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration $	Total $
Balance at 1 July 2014	14,411,402	14,411,402
Expenditure during the year	3,778,632	3,778,632
Impairment of assets	(6,235,837)	(6,235,837)
Balance at 30 June 2015	11,954,197	11,954,197
Additions through business combinations (note 30)	2,826,636	2,826,636
Expenditure during the year	2,367,509	2,367,509
Sale of Gunga	(1,500,000)	(1,500,000)
Write off of assets	(1,261,431)	(1,261,431)
Balance at 30 June 2016	14,386,911	14,386,911

During the year the consolidated entity undertook a review the carrying values of its exploration and evaluation assets and accounted for an impairment amounting to $1,261,431. The impairment has been a result of a review of the current market conditions and net realisable value of the assets.

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Note 15. Non-current assets - Mines under development

	Consolidated 2016 $	Consolidated 2015 $
Mines under development	4,937,803	2,430,000

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Mines under development $	Total $
Balance at 1 July 2014	-	-
Acquisition of 80% interest in the Burbanks Gold Mine	2,430,000	2,430,000
Balance at 30 June 2015	2,430,000	2,430,000
Additions through business combinations (note 30)	1,297,558	1,297,558
Expenditure during the year	1,366,768	1,366,768
Amortisation expense	(156,523)	(156,523)
Balance at 30 June 2016	4,937,803	4,937,803

Note 15. Non-current assets - Mines under development (continued)

The previous financial year the Company announced that it had acquired an 80% interest in the Burbanks Gold Mine and Coolgardie North Gold project for $3 million, $2.43 million relates directly to the Burbanks Gold mine with the remaining $570,000 classed as exploration expenditure and evaluation. The consolidated entity entered into a joint operating arrangement with Blue Tiger Mines Pty Ltd.

On 27 January 2016, the Company acquired the remaining 20% interest in the Burbanks Gold Mine and Coolgardie North Gold project.

Details are contained in note 32.

Note 16. Non-current assets - other

	Consolidated 2016 $	Consolidated 2015 $
Security deposits	11,760	11,760
Exploration Security Bonds	122,373	151,388
	134,133	163,148

Note 17. Current liabilities - trade and other payables

	Consolidated 2016 $	Consolidated 2015 $
Trade payables and other payables	3,860,113	2,844,929

Refer to note 23 for further information on financial instruments.

The average credit period on purchases is 30 days. Due to the short term nature of the payables their carrying value is assumed to approximate their fair value. No interest is charged on the payables. The consolidated entity has financial risk management policies in place to ensure that all payables are paid within the credit timeframe.

Note 18. Current liabilities - borrowings

	Consolidated 2016 $	Consolidated 2015 $
Loan from private financier	1,000,000	-

Refer to note 23 for further information on financial instruments.

During the year the company signed a deed of settlement and release to amend the repayment date of this loan. Under the agreement the amount listed above is repayable on or before 1 May 2017.

Note 19. Non-current liabilities - borrowings

	Consolidated 2016 $	Consolidated 2015 $
Loan from private financier	5,741,345	6,100,693

Refer to note 23 for further information on financial instruments.

Note 19. Non-current liabilities - borrowings (continued)

During the year the company signed a deed of settlement and release to amend the repayment date of this loan. Under the agreement the amount listed above is repayable on or before 1 May 2018.

Total secured liabilities
The total secured liabilities (current and non-current) are as follows:

	Consolidated 2016 $	Consolidated 2015 $
Loan from private financier	6,741,345	6,100,693

On 29 April 2015 the consolidated entity announced that it had entered into a funding agreement with a private financier. The funding agreement consisted of a loan of $6 million bearing an interest rate of 10% repayable on or before 1 May 2018.

Assets pledged as security
The loan provided by the private financier is secured over the Burbanks gold mine.

Note 20. Equity - issued capital

	Consolidated 2016 Shares	Consolidated 2015 Shares	Consolidated 2016 $	Consolidated 2015 $
Ordinary shares - fully paid	237,267,224	119,610,593	29,847,701	20,223,171
Listed Options at $0.15 Exp 30 April 2018	47,453,487	-	-	-
	284,720,711	119,610,593	29,847,701	20,223,171

Movements in ordinary share capital

Details	Date	Shares	Issue price	$
Balance	1 July 2014	114,984,678		19,826,632
Equity Settlement of Drilling costs	16 October 2014	1,552,266	$0.114	177,356
Equity Settlement of Drilling costs	16 October 2014	2,076,835	$0.076	158,172
Equity Settlement of Drilling costs	24 December 2014	996,814	$0.068	67,588
Cost of capital raising		-	-	(6,577)
Balance	30 June 2015	119,610,593		20,223,171
Share Consideration - Capri Loan	14 August 2015	12,700,000	$0.075	952,500
Share Consideration - Capri Loan	27 November 2015	9,549,824	$0.105	1,002,732
Performance Rights	27 November 2015	500,000	$0.069	34,425
Placement	11 March 2016	35,590,001	$0.085	3,025,150
Rights issue entitlement	11 March 2016	19,297,506	$0.085	1,640,288
Rights issue underwritten	29 April 2016	16,415,411	$0.085	1,395,310
Rights issue shortfall	10 May 2016	23,603,889	$0.085	2,006,430
Cost of capital raising		-	-	(432,305)
Balance	30 June 2016	237,267,224		29,847,701

Note 20. Equity - issued capital (continued)

Movements in options over ordinary shares

Details	Date	Options	$
Balance	1 July 2014	-	-
Balance	30 June 2015	-	-
Issue of listed options	19 April 2016	29,658,487	-
Issue of listed options	16 May 2016	17,795,000	-
Balance	30 June 2016	47,453,487	-

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 21. Equity - reserves

	Consolidated 2016 $	Consolidated 2015 $
Share-based payments reserve	108,292	50,973

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and other parties as part of their compensation for services.

Note 21. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share based payments $	Total $
Balance at 1 July 2014	64,350	64,350
Options expired	(64,350)	(64,350)
Issue of performance rights	50,973	50,973
Balance at 30 June 2015	50,973	50,973
Share based payments	91,742	91,742
Transfer from option reserve on the vesting of performance rights	(34,423)	(34,423)
Balance at 30 June 2016	108,292	108,292

Note 22. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 23. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The consolidated entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the consolidated entity. The consolidated entity uses derivative financial instruments such as forward foreign exchange contracts to hedge certain risk exposures. Derivatives are exclusively used for hedging purposes, i.e. not as trading or other speculative instruments. The consolidated entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, ageing analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the consolidated entity's operating units. Finance reports to the Board on a monthly basis.

Market risk

Foreign currency risk
The consolidated entity operates within Australia and is exposed to foreign exchange risk arising from fluctuations in commodity prices, primarily in relation to gold prices.

Price risk
Market risk is the risk that changes in market prices, such as commodity prices and interest rates will affect the consolidated entity's income. The consolidated entity has a policy of maintaining full exposure to changes in key market variables being gold price and interest rates. The consolidated entity does not undertake gold forward selling and hence is exposed to commodity price risk. The consolidated entity is exposed to interest rate risk arising from its cash at bank. The consolidated entity regularly reassesses market conditions and market risks so as to optimise return on capital.

Interest rate risk
The consolidated entity's only exposure to interest rate risk is in relation to deposits held. Deposits are held with reputable banking financial institutions.

Note 23. Financial instruments (continued)

As at the reporting date, the consolidated entity had the following variable rate borrowings and interest rate swap contracts outstanding:

	2016		2015	
Consolidated	Weighted average interest rate %	Balance $	Weighted average interest rate %	Balance $
Cash at bank	2.00%	4,619,784	2.00%	2,678,203
Cash on deposit	2.50%	132,442	2.50%	55,201
Net exposure to cash flow interest rate risk		4,752,226		2,733,404

Below is a sensitivity analysis of interest rates at a rate of 50 basis points on cash at bank and 100 basis points on cash on deposit for the 2016 and 2015 financial years. The percentage change is based on expected volatility of interest rates using market data and analysis forecasts.

	Basis points increase			Basis points decrease		
Consolidated - 2016	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash at bank	50	23,099	23,099	50	(23,099)	(23,099)
Cash on deposit	100	1,324	1,324	100	(1,324)	(1,324)
		24,423	24,423		(24,423)	(24,423)

	Basis points increase			Basis points decrease		
Consolidated - 2015	Basis points change	Effect on profit before tax	Effect on equity	Basis points change	Effect on profit before tax	Effect on equity
Cash at bank	50	13,391	13,391	50	(13,391)	(13,391)
Cash on deposit	100	552	552	100	(552)	(552)
		13,943	13,943		(13,943)	(13,943)

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the consolidated entity. The consolidated entity has a strict code of credit, including obtaining agency credit information, confirming references and setting appropriate credit limits. The consolidated entity obtains guarantees where appropriate to mitigate credit risk. The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The consolidated entity does not hold any collateral.

Liquidity risk

Vigilant liquidity risk management requires the consolidated entity to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Note 23. Financial instruments (continued)

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2016	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables and other payables	-	3,860,113	-	-	3,860,113
Interest-bearing - variable					
Loan from private financier	1,000,000	6,300,000	-	-	7,300,000
Total non-derivatives	1,000,000	10,160,113	-	-	11,160,113

Consolidated - 2015	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives					
Non-interest bearing					
Trade payables	861,832	-	-	-	861,832
Other payables	314,361	-	-	-	314,361
Other loans	-	1,668,736	-	-	1,668,736
Interest-bearing - fixed rate					
Other loans	-	7,324,332	-	-	7,324,332
Total non-derivatives	1,176,193	8,993,068	-	-	10,169,261

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 24. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated 2016 $	Consolidated 2015 $
Short-term employee benefits	907,420	552,644
Post-employment benefits	28,895	23,872
Termination benefits	104,115	-
Share-based payments	91,742	50,973
	1,132,172	627,489

Note 25. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Grant Thornton , the auditor of the company:

	Consolidated 2016 $	Consolidated 2015 $
Audit services - Grant Thornton		
Audit or review of the financial statements	63,000	38,000
Other services - Grant Thornton		
Preparation of the tax return	5,500	5,000
	68,500	43,000

Note 26. Contingent liabilities

There were no contingent liabilities at 30 June 2015 and 30 June 2016.

Note 27. Commitments

	Consolidated 2016 $	Consolidated 2015 $
Lease Commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	16,224	51,904
One to five years	-	13,102
	16,224	65,006
Exploration and evaluation		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	1,264,796	994,120
One to five years	1,571,138	-
	2,835,934	994,120

Exploration and evaluation

In order to maintain current rights to tenure to exploration and mining tenements, the consolidated entity has the above exploration expenditure requirements up until expiry of leases. These obligations, which may be varied from time to time and which are subject to renegotiation upon expiry of the lease are not provided for in the financial report and are payable.

Within the mineral industry it is common practice for companies to farm-out, transfer or sell a portion of their exploration rights to third parties or to relinquish some exploration and mining tenements altogether, and as a result obligations will be significantly reduced or extinguished altogether. During prior years the Company concluded a number of farm-out agreements which resulted in the Company only being responsible for a share of the work programs. The farm-in partners also expended funds on the permits during the year which resulted in work programs for certain years being met.

Note 28. Related party transactions

Parent entity
Kidman Resources Limited is the parent entity.

Note 28. Related party transactions (continued)

Subsidiaries
Interests in subsidiaries are set out in note 31.

Joint operations
Interests in joint operations are set out in note 32.

Key management personnel
Disclosures relating to key management personnel are set out in note 24 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated 2016 $	Consolidated 2015 $
Payment for goods and services:		
Payments to Mining Plus Pty Ltd (a director related entity associated with Mr Brad Evans)*	322,004	28,680
Payments for legal fees to Grillo Higgins (an entity associated with Mr Garrick Higgins, Mr Higgins resigned on 13 November 2015)	205,230	33,613

* It is noted that Mr Evans is an employee of Mining Plus Pty Ltd and does not directly receive a benefit from the amounts paid to the associated entity.

Receivable from and payable to related parties
There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 29. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2016 $	Parent 2015 $
Loss after income tax	(4,246,481)	(7,513,274)
Total comprehensive income	(4,246,481)	(7,513,274)

Note 29. Parent entity information (continued)

Statement of financial position

	Parent	
	2016 $	2015 $
Total current assets	3,157,889	1,281,166
Total assets	22,825,845	17,515,444
Total current liabilities	1,395,641	547,609
Total liabilities	7,341,050	7,466,016
Equity		
Issued capital	29,847,701	20,223,172
Share-based payments reserve	108,292	50,973
Accumulated losses	(14,471,198)	(10,224,717)
Total equity	15,484,795	10,049,428

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 2015 and 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 2015 and 2016.

Capital commitments - Property, plant and equipment
The parent entity had no capital commitments for property, plant and equipment at as 2015 and 2016.

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Investments in associates are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and its receipt may be an indicator of an impairment of the investment.

Note 30. Business combinations

On 29 April 2015, Kidman Resources Limited ("KDR") announced the acquisition of an initial 80% stake in the Burbanks Gold Mine and Coolgardie North gold project from Blue Tiger Mines Pty Ltd ("Blue Tiger"). KDR incorporated Coolgardie Mining Company Pty Ltd ("CMC") for the purpose of entering into the Tenement Sale Joint Venture and Option Agreement ("the Agreement") with Blue Tiger. The Agreement provided for purchase consideration of $3 million for the transfer of 80% of all interests in relevant mining and tenement licences, a Joint Operations arrangement for funding of the mining and development operations and a further option for CMC to acquire the remaining 20% of the tenement interests for $3 million plus any outstanding royalty payments.

On 27 January 2016, KDR announced that it exercised its option to acquire the remaining 20% of the Burbanks and Gunga West Gold Projects. The consideration for this acquisition was reduced from $3m to $1.5m.

The consideration of $1.5 million was to be paid via three tranches, two of which were assignments of debt from Blue Tiger.

Note 30. Business combinations (continued)

Sale of Joint Operation

On 27 January 2016 there is a notional sale and acquisition (discussed below as per AASB 3) of the Joint Operations and an Acquisition of a business combination.

AASB 3 requires that an equity interest previously held in the acquiree which qualified as a jointly controlled entity under AASB 131 is treated as if it were disposed of and reacquired at fair value on the acquisition date. Accordingly, it is remeasured to its acquisition date fair value, and any resulting gain or loss compared to its carrying amount under IAS 31 is recognised in profit or loss.

Based on the purchase price for 20% of the equity at $1.5m, the implied value of the project is $7.5million. It was determined that an extrapolation of the payment of $1.5m for 20% was the most accurate basis for determining the fair value of the consideration paid and the net assets acquired in the transaction.

Details of the acquisition are as follows:

	Provisional Fair value $	Carrying value $
Cash and cash equivalents	1,229,557	1,229,557
Plant and equipment	384,685	384,685
Mines under development and exploration and evaluation	9,932,191	2,348,904
Trade payables	(1,811,277)	(1,811,277)
Other payables	(216,366)	(216,366)
Deferred tax liability	(1,961,802)	-
Employee benefits	(6,988)	(6,988)
Other provisions	(50,000)	(50,000)
Net assets acquired	7,500,000	1,878,515
Goodwill	-	-
Acquisition-date fair value of the total consideration transferred	7,500,000	1,878,515
Representing:		
Total consideration transferred	7,500,000	
Carrying value for Investment in CMC	(1,878,515)	
Gain on re-measurement	5,621,485	
The cash outflow on acquisition is as follows:		
Net cash acquired on acquisition of remaining 20% of Burbanks	245,911	
Cash paid	(1,500,000)	
Net cash outflow	(1,254,089)	

Note 31. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2016 %	Ownership interest 2015 %
Crowl Creek Exploration Limited	Australia	100.00%	100.00%
Casey Exploration Pty Ltd	Australia	100.00%	100.00%
Kidman Barrow Creek Pty Ltd	Australia	100.00%	100.00%
Kidman Mining Pty Ltd	Australia	100.00%	100.00%
Coolgardie Mining Company Pty Ltd *	Australia	100.00%	100.00%

* Coolgardie Mining Company Pty Ltd was incorporated on 12 March 2015.

Note 32. Interests in joint operations

On 29 April 2015, Kidman Resources Limited ("KDR") announced the acquisition of an initial 80% stake in the Burbanks Gold Mine and Coolgardie North gold project from Blue Tiger Mines Pty Ltd ("Blue Tiger"). KDR incorporated Coolgardie Mining Company Pty Ltd ("CMC") for the purpose of entering into the Tenement Sale Joint Venture and Option Agreement ("the Agreement") with Blue Tiger. The Agreement provided for purchase consideration of $3 million for the transfer of 80% of all interests in relevant mining and tenement licences, a Joint Venture arrangement for funding of the mining and development operations and a further option for CMC to acquire the remaining 20% of the tenement interests for $3 million plus any outstanding royalty payments.

On 27 January 2016, KDR announced that it has exercised its options to acquire the remaining 20% of the Burbanks and Gunga West Gold Projects. The consideration for this acquisition was reduced from $3m to $1.5m. The consideration of $1.5 million was to be paid via three tranches, two of which were assignments of debt from Blue Tiger.

Refer to Note 30 'Business Combinations' for further details.

Note 33. Deed of cross guarantee

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

Kidman Resources Limited
Crowl Creek Exploration Limited

By entering into the deed, the wholly-owned entities have been relieved from the requirement to prepare financial statements and directors' report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the Class Order, and as there are no other parties to the deed of cross guarantee that are controlled by Kidman Resources Limited, they also represent the 'Extended Closed Group'.

Note 33. Deed of cross guarantee (continued)

Set out below is a consolidated statement of profit or loss and other comprehensive income and statement of financial position of the 'Closed Group'.

Statement of profit or loss and other comprehensive income	2016 $	2015 $
Revenue	332,507	262,332
Depreciation and amortisation expense	(42,948)	(37,106)
Impairment of loan to subsidiary	(884,437)	(4,816,018)
Impairment of assets	(376,994)	(1,419,818)
Administration expenses	(365,181)	(229,963)
Corporate expenses	(694,376)	(772,642)
Employment expenses	(1,211,790)	(398,677)
Finance costs	(646,885)	(101,386)
Realised loss on loan settlement	(356,377)	-
Loss before income tax expense	(4,246,481)	(7,513,278)
Income tax expense	-	-
Loss after income tax expense	(4,246,481)	(7,513,278)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	(4,246,481)	(7,513,278)

Equity - retained profits	2016 $	2015 $
Accumulated losses at the beginning of the financial year	(10,224,717)	(2,775,789)
Loss after income tax expense	(4,246,481)	(7,513,278)
Transfer from options reserve	-	64,350
Accumulated losses at the end of the financial year	(14,471,198)	(10,224,717)

Note 33. Deed of cross guarantee (continued)

Statement of financial position	2016 $	2015 $
Current assets		
Cash and cash equivalents	2,827,611	639,663
Trade and other receivables	381,715	591,371
Prepayments	35,484	50,133
	3,244,810	1,281,167
Non-current assets		
Other financial assets	14,267,723	10,094,293
Property, plant and equipment	19,828	31,346
Intangibles	41,751	65,472
Exploration and evaluation	5,918,827	5,880,018
Other	134,133	163,148
	20,382,262	16,234,277
Total assets	23,627,072	17,515,444
Current liabilities		
Trade and other payables	1,272,061	474,719
Borrowings	1,000,000	-
Employee benefits	107,846	72,890
	2,379,907	547,609
Non-current liabilities		
Borrowings	5,741,345	6,910,448
Employee benefits	21,025	7,959
	5,762,370	6,918,407
Total liabilities	8,142,277	7,466,016
Net assets	15,484,795	10,049,428
Equity		
Issued capital	29,847,701	20,223,172
Reserves	108,292	50,973
Accumulated losses	(14,471,198)	(10,224,717)
Total equity	15,484,795	10,049,428

On 28 February 2012, Kidman Resources Limited provided a Deed of Cross Guarantee under Class Order 98/1418 made by ASIC to Crowl Creek Exploration Limited as per the signed agreement between the two entities.

Note 34. Events after the reporting period

On 21 July 2016 the Company issued 450,000 employee performance rights with the requirement for continued employment with the Company at the time of vesting. The Performance Rights will vest where the Company's share price is equal to or greater than the 20 day VWAP of $0.40 (40 cents) on or before 30 June 2019.

On 25 August 2016 the consolidated entity announced placement to issue 59,100,000 fully paid ordinary shares and 1,000,000 employee performance rights with the condition of continued employment with the Company at the time of vesting. The Performance Rights will vest where the Company's share price is equal to or greater than the 20 day VWAP of $0.40 (40 cents) on or before 30 September 2017.

Note 34. Events after the reporting period (continued)

Subsequent to the end of the financial year, the Company completed the acquisition of the Mt Holland gold-lithium project in WA. Shareholders approved the transaction on 29 June 2016 and the final documentation, share transfers and payment of $2,000,000 was made in July 2016. As part of the acquisition, deferred consideration was required to be paid once certain forfeiture claims are resolved. The deferred consideration was agreed to be paid in shares following renegotiation of a cash finance facility.

No other matter or circumstance has arisen since 30 June 2016 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 35. Reconciliation of loss after income tax to net cash used in operating activities

	Consolidated 2016 $	Consolidated 2015 $
Loss after income tax benefit for the year	(4,288,364)	(8,537,727)
Adjustments for:		
Depreciation and amortisation	125,407	37,787
Net fair value loss on available-for-sale financial assets	-	794,742
Share based payments	91,742	50,973
Exploration costs written off	1,261,431	6,235,836
Interest accrued	646,885	101,386
Realised loss on loan settlement	286,495	-
Loss on sale of joint operation	69,882	-
Amortisation of mine	156,523	-
Income tax benefit	(1,961,802)	-
Change in operating assets and liabilities:		
Increase in trade and other receivables	(59,661)	(352,347)
Decrease/(increase) in prepayments	14,661	(32,074)
Increase/(decrease) in trade and other payables	2,217,424	(308,871)
Increase in employee benefits	60,940	34,886
Net cash used in operating activities	(1,378,437)	(1,975,409)

Note 36. Non-cash investing and financing activities

	Consolidated 2016 $	Consolidated 2015 $
Realised loss on loan settlement	286,495	-

On 27 November 2015 the consolidated entity issued 9,549,824 fully paid ordinary shares following receipt of shareholder approval received at the Company's 2015 Annual General Meeting held on 13 November 2015 in order to reduce outstanding liabilities of the Company. The shares issued had a deemed issue price of $0.075 (7.5 cents) per share at the date of approval, however on 27 November 2015 the fair value quoted price on the ASX was $0.105 (10.5 cents) per share giving rise to a difference to which has therefore been booked as 'Realised loss on loan settlement'.

Note 37. Earnings per share

	Consolidated 2016 $	Consolidated 2015 $
Loss after income tax attributable to the owners of Kidman Resources Limited	(4,288,364)	(8,537,727)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	159,396,192	118,053,390
Weighted average number of ordinary shares used in calculating diluted earnings per share	159,396,192	118,053,390
	Cents	**Cents**
Basic earnings per share	(2.69)	(7.23)
Diluted earnings per share	(2.69)	(7.23)

Diluted Earnings per Share

The rights to options held by option holders have not been included in the weighted average number of ordinary shares for the purposes of calculating diluted EPS as they do not meet the requirements for inclusion in AASB 133 "Earnings per Share". The rights to options are non-dilutive as the consolidated entity has generated a loss for the year.

As at 30 June 2016, the consolidated entity had 47,453,487 quoted options on issue, exercisable at $0.15 (15 cents) expiring on or before 30 April 2018, and 2,250,000 unlisted performance rights on issue. These options and rights have not been included in the above calculation as explained above.

Note 38. Share-based payments

There were no options granted under the plan during the 30 June 2016 financial year.

Set out below are summaries of options granted under the plan:

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
15/11/2011	31/12/2014	$0.400	400,000	-	-	(400,000)	-
15/11/2011	30/09/2014	$0.400	350,000	-	-	(350,000)	-
			750,000	-	-	(750,000)	-
Weighted average exercise price			$0.400	$0.000	$0.000	$0.400	$0.000

Note 38. Share-based payments (continued)

Set out below are summaries of performance rights granted under the plan:

2016

Grant date	Expiry date	Hurdle price	Balance at the start of the year	Granted	Exercised	Lapsed	Balance at the end of the year
24/11/2014	10/10/2016	$0.30	500,000	-	-	-	500,000
24/11/2014	10/10/2017	$0.30	750,000	-	-	-	750,000
24/11/2014	10/10/2017	$0.40	1,000,000	-	-	-	1,000,000
11/05/2015	10/10/2016	$0.10	500,000	-	(500,000)	-	-
11/05/2015	10/10/2017	$0.15	750,000	-	-	(750,000)	-
11/05/2015	10/10/2017	$0.30	1,000,000	-	-	(1,000,000)	-
			4,500,000	-	(500,000)	(1,750,000)	2,250,000

2015

Grant date	Expiry date	Exercise price	Balance at the start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at the end of the year
24/11/2014	10/10/2016	$0.20	-	500,000	-	-	500,000
24/11/2014	10/10/2017	$0.30	-	750,000	-	-	750,000
24/11/2014	10/10/2017	$0.40	-	1,000,000	-	-	1,000,000
11/05/2015	10/10/2016	$0.10	-	500,000	-	-	500,000
11/05/2015	10/10/2017	$0.15	-	750,000	-	-	750,000
11/05/2015	10/10/2017	$0.30	-	1,000,000	-	-	1,000,000
			-	4,500,000	-	-	4,500,000

Set out below are the performance rights exercisable at the end of the financial year:

Grant date	Expiry date	2016 Number	2015 Number
24/11/2014	10/10/2016	500,000	500,000
24/11/2014	10/10/2017	750,000	750,000
24/11/2014	10/10/2017	1,000,000	1,000,000
11/12/2015	10/10/2016	-	500,000
11/12/2015	10/10/2017	-	750,000
11/12/2015	10/10/2017	-	1,000,000
		2,250,000	4,500,000

Kidman Resources Limited
Directors' declaration
30 June 2016

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the financial year ended on that date;
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 33 to the financial statements.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors



Mr Peter Lester
Non-Executive Chairman

30 September 2016
Melbourne

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Independent Auditor's Report
To the Members of Kidman Resources Limited

Report on the financial report

We have audited the accompanying financial report of Kidman Resources Limited (the "Company"), which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the company.

Directors' responsibility for the financial report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001. The Directors' responsibility also includes such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

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In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

Auditor's opinion

In our opinion:

a the financial report of Kidman Resources Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the financial position as at 30 June 2016 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

Report on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2016. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Auditor's opinion on the remuneration report

In our opinion, the remuneration report of Kidman Resources Limited for the year ended 30 June 2016, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B.A Mackenzie
Partner - Audit & Assurance

Melbourne, 30th September 2016

Kidman Resources Limited
Shareholder information
30 June 2016

The shareholder information set out below was applicable as at 15 September 2016.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares	Number of holders of listed options
1 to 1,000	131	43
1,001 to 5,000	425	61
5,001 to 10,000	369	46
10,001 to 100,000	1,090	146
100,001 and over	329	75
	2,344	371
Holding less than a marketable parcel	132	49

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	% of total shares issued
Capri Trading Nominees Pty Ltd	21,970,000	7.41
J P Morgan Nominees Australia Limited	14,728,957	4.97
UBS Nominees Pty Ltd	12,450,000	4.20
HSBC Custody Nominees (Australia) Limited	10,328,536	3.49
Citicorp Nominees Pty Limited	8,788,124	2.97
Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	8,641,305	2.92
Commodity House Pty Ltd	6,700,000	2.26
National Nominees Limited	5,135,396	1.73
Bonza View Superannuation Fund Pty Ltd (Bonza View S/F A/C)	4,530,004	1.53
National Nominees Limited (DB A/C)	4,150,000	1.40
Equity Trustees Limited (Lowell Resources Fund A/C)	3,809,412	1.29
Pearce Financial Services Pty Ltd (Tom Pearce Superfund A/C)	3,700,000	1.25
Mr John Henderson Manson & Mrs Karen Ann-Marie Manson (Mayflower A/C)	3,335,000	1.13
HSBC Custody Nominees (Australia) Limited - A/C 2	3,261,839	1.10
Mr Simon William Tritton (Investment A/C)	2,904,706	0.98
DWNK Pty Ltd (The Derek Smith Family A/C)	2,869,881	0.97
Mr Paul Frederick Townsend	2,768,465	0.93
BNP Paribas Noms Pty Ltd (DRP)	2,615,325	0.88
Olivers Hill Pty Ltd (Superannuation Fund A/C)	2,355,000	0.79
ABN Amro Clearing Sydney Nominees Pty Ltd (Custodian A/C)	2,277,579	0.77
	127,319,529	42.97

Kidman Resources Limited
Shareholder information
30 June 2016

	Options over ordinary shares (KDRO)	
	Number held	% of total options issued
J P Morgan Nominees Australia Limited	4,496,531	9.48
Citicorp Nominees Pty Limited (Colonial First State Inv A/C)	4,259,325	8.98
National Nominees Limited	2,917,368	6.15
Mr George Chien Hsun Lu & Mrs Jenny Chin Pao Lu	2,530,000	5.33
Mr Simon Willliam Tritton (Investment A/C)	2,000,000	4.21
Equity Trustees Limited (Lowell Resources Fund A/C)	1,764,706	3.72
Mr Albert Au	1,368,000	2.88
Bonza View Superannuation Fund Pty Ltd (Bonza View S/F A/C)	1,085,002	2.29
Mrs Sandy Tan Siew May	800,000	1.69
Tanamera Resources Pte Ltd	800,000	1.69
Bairdos Pty Ltd	758,528	1.60
Bernard Laverty Pty Ltd	705,883	1.49
M & K Korkidas Pty Ltd (M&K Korkidas P/L S/Fund A/C)	678,000	1.43
Mr Justin Noel Klintberg	588,237	1.24
Kings Park Superannuation Fund Pty Ltd (Kings Park Super Fund A/C)	562,751	1.19
Seaview Enterprises Pty Ltd	550,000	1.16
Mr Simon Robert Evans	507,659	1.07
Citicorp Nominees Pty Limited	500,000	1.05
Mr Derek Guy Smith & Mrs Wendy Smith (Derek Smith Super Fund A/C)	500,000	1.05
Mr Anthony Deloitte Davis & Ms Phyllis Jane Polkinghorne (Davis Polkinghorne RF A/C)	500,000	1.05
	27,871,990	58.75

Unquoted equity securities

	Number on issue	Number of holders
Performance rights over ordinary shares	2,450,000	4

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
Acorn Capital Limited	22,351,353	7.54
Capri Trading Nominees Pty Ltd	21,970,000	7.41

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Kidman Resources Limited
Shareholder information
30 June 2016

Tenements

Description	Tenement number	Interest owned %
Home of Bullion (NT)	EL 23186	100.00
Blind Calf (NSW)	EL 7537	100.00
Wilmatha (NSW)	EL 7538	100.00
Belmore (NSW)	EL 7539	100.00
Jumble Plains (NSW)	EL 7540	100.00
Kiacatoo (NSW)	EL 7523	100.00
Melrose (NSW)	EL 7820	100.00
Lockerbie (NSW)	EL 7821	100.00
Bogong (NSW)	EL 4152	100.00
Browns Reef (NSW)	EL 6321	100.00
Archilles (NSW)	EL 7746	90.00
Shepards (NSW)	EL 7931	90.00
Tarilta (NSW)	EL 7891	90.00
Hill View (NSW)	EL 8103	90.00
Burbanks Gold Mine Project (WA)	M15/0161	100.00
Burbanks Exploration Project (WA)	Various	100.00
Mount Holland Project (WA)	Various	100.00