For personal use only

June 21, 2016

ASX Release

Kidman Resources Limited
ABN 88 143 526 096

Corporate Details:
ASX Code: KDR

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

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

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

Chief Financial Officer (CFO):
Melanie Leydin

Company Secretary:
Justin Mouchacca

Contact Details:

Kidman Resources Limited
Suite 3, Level 4
12 - 20 Flinders Lane
Melbourne
Victoria 3000
Australia

Tel: +61 (0)3 9671 3801
Fax: +61 (0)3 9671 3523

Email:
info@kidmanresources.com.au

Website:
www.kidmanresources.com.au

Lithium review establishes 6.3 km-long pegmatite at Mt Holland project in WA

Kidman Resources Limited (ASX: KDR) is pleased to advise that the ongoing review of the lithium potential at its Mt Holland gold project near Southern Cross in WA has confirmed the discovery of a 6.3 km long pegmatite.

This extensive pegmatite came to light during a review of historical RAB and aircore drilling data undertaken in an area at Mt Holland known as Texas.

The Texas pegmatite was logged in historical drill chips under very shallow alluvial cover and is at or near the surface.

The drilling, which was conducted in the 1980s, was part of a gold and nickel exploration program and therefore the drill chips containing the pegmatite had not been assayed for lithium.

Kidman has commenced preparations (including a conservation management plan) for a soil sampling program as a precursor to a RAB/RC drilling program to establish the existence of mineralisation in the Texas pegmatite, including any outcrop.

The Texas pegmatite is along strike to the north of the Bounty lithium-bearing pegmatite discovered near the dormant Bounty gold mine on Mining Lease M77/1066.

Exploration is continuing at the Bounty pegmatite, which is also within the Mt Holland project, around 5km south of Texas along the same geological structure.

Kidman announced earlier this month that the Bounty pegmatite had returned some of the best lithium assays seen in WA. The results included **54.2m at 1.53% Li_20 from 37.8m and 33.5m at 1.39% Li_20 from 294m (see ASX Announcement 2nd of June 2016)**

For personal use only

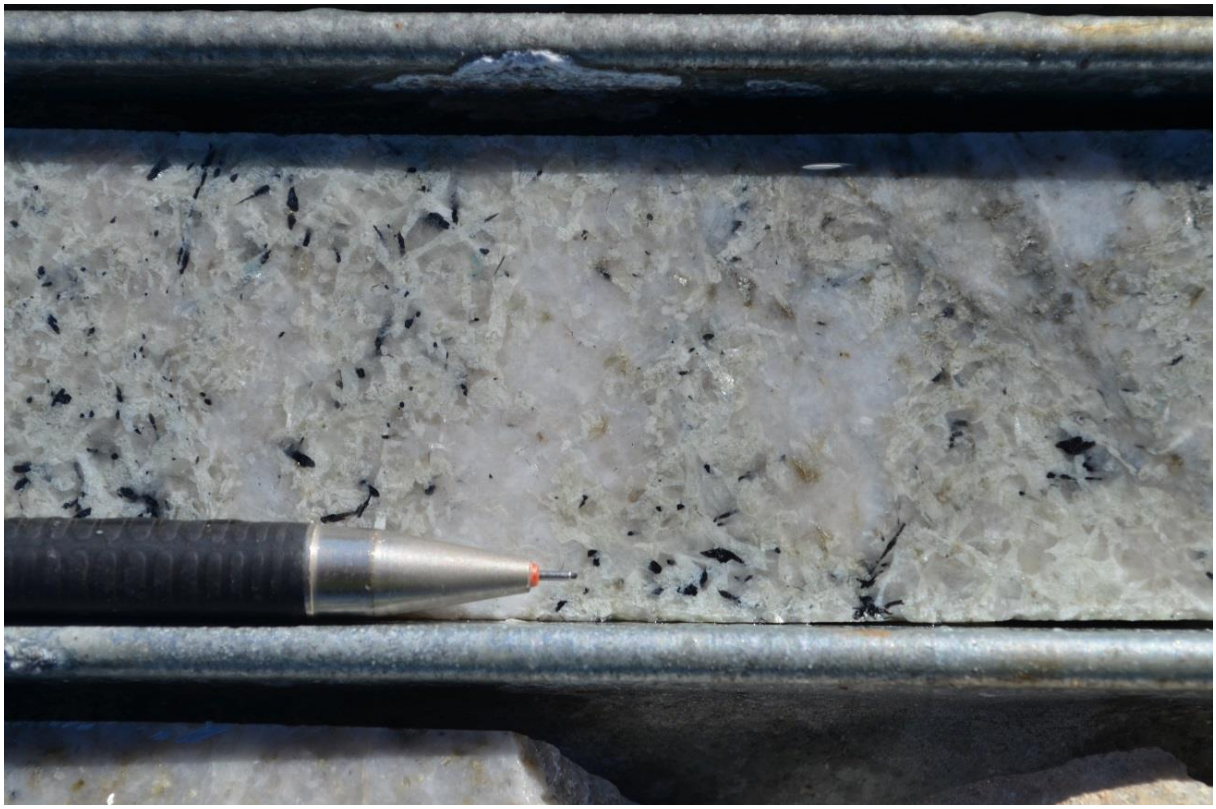


Figure 1: Lithium-rich zone within BUG28 at 297m downhole. The more lithium-rich zones of the pegmatite typically exhibit a quartz-spodumene-feldspar dominated mineralogy with minor tourmaline, muscovite, zinnwaldite and possibly garnet. Spodumene occurs as tabular to acicular pale green crystals ranging from 2-20mm in length, and is more common in fine to medium grained zones within the pegmatite body. These finer grained zones are interspersed with graphic textured coarser domains of feldspar-quartz-tourmaline dominated mineralogy, often with accessory apatite and muscovite.

Lithium Exploration ELA77/2244 (Texas)

Following the completion of an environmental survey review now underway, Kidman will submit a programme of work with a clear outline of the phases of exploration it plans to undertake over ELA77/2244 (Texas). This will include regional soil sampling to further assess the lithium potential with the prospect of a follow-up RAB/RC programme to determine the extent of mineralisation.

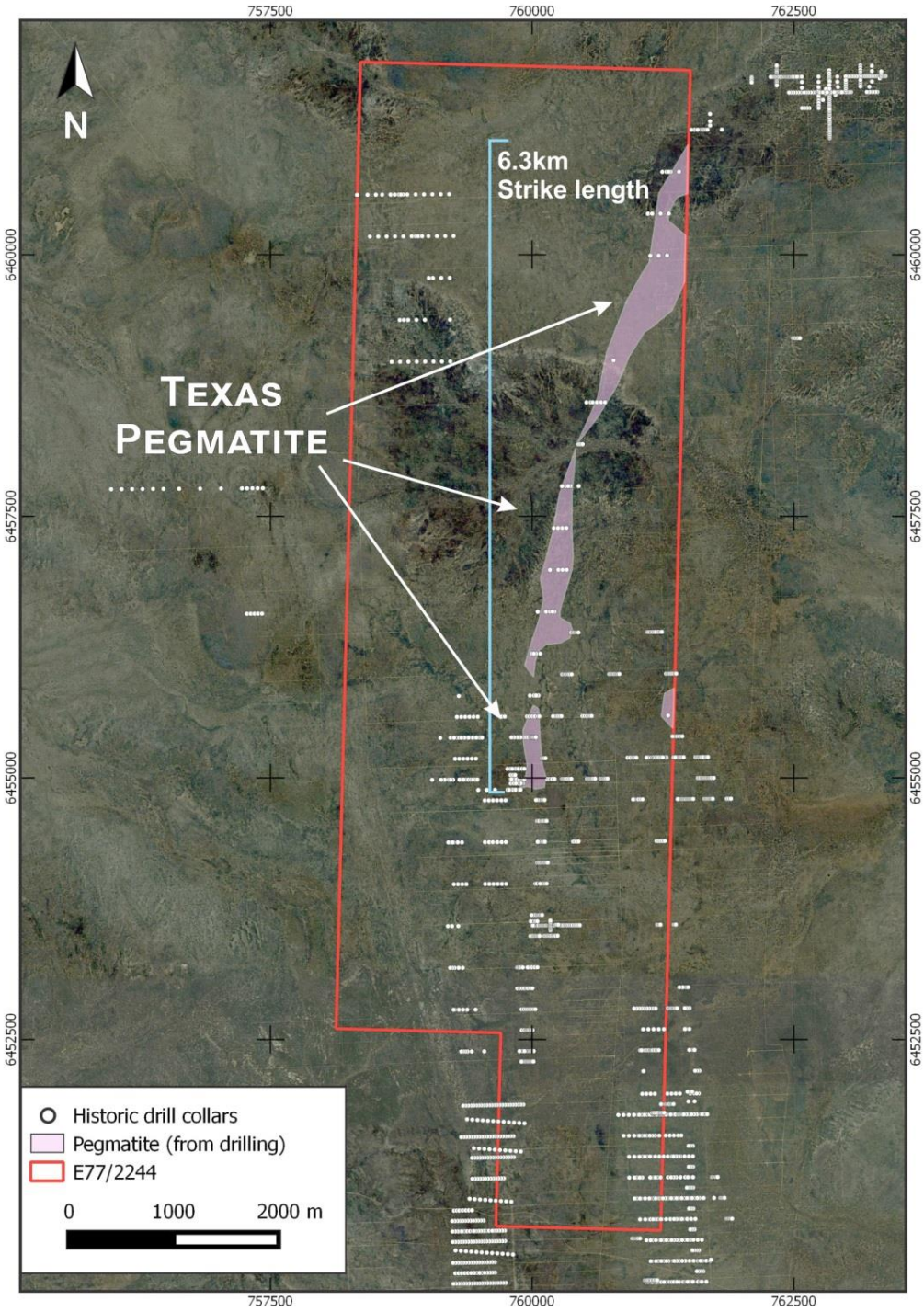


Figure 2: Location of logged pegmatite in historic drilling on ELA77/2244 (Texas)

For personal use only

For personal use only

Lithium Exploration M77/1066 Bounty

The confirmation of strongly mineralised lithium-bearing pegmatites around the Bounty mine has led to further work planned for the area directly east of the Bounty Pit.

First-pass exploration undertaken by Kidman will include a soil sampling programme over an area that is completely unexplored for lithium and strategic metals. The aim of the soil programme is to delineate the surface expression of the pegmatite which returned results including **54.2m at 1.53% Li_20 from 37.8m and 33.5m at 1.39% Li_20 from 294m** (see ASX Announcement 2nd of June 2016).

A large proportion of the series of holes completed by Nickel Australia intersected pegmatite at depth in the region east of the Bounty pit.

The soil programme will include a suite of strategic elements and their pathfinders (including tantalum, caesium, rubidium, beryllium, gallium and lithium) using a four acid digest technique.

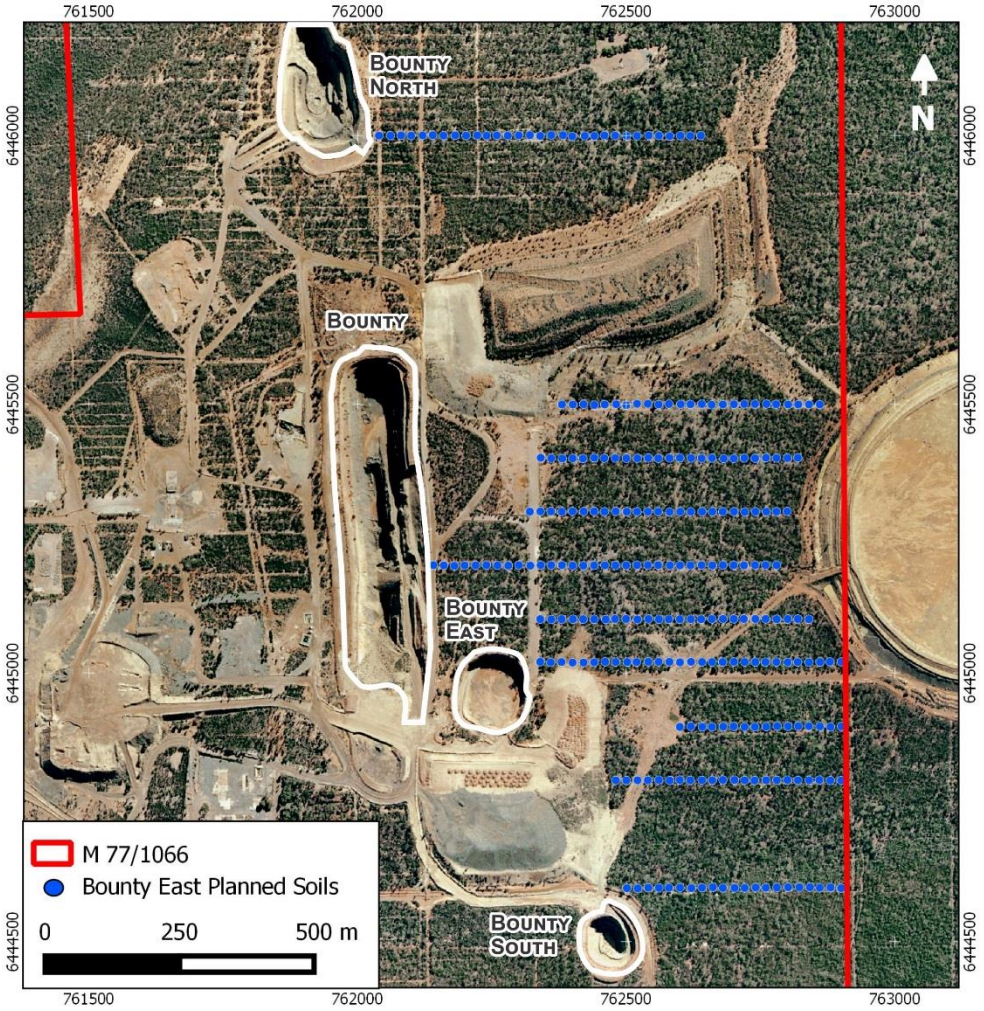


Figure 3: Surface Geochemistry programme adjacent to Bounty Open Pit

Following the results and interpretation from this soil sampling project, a surface RAB/RC programme of work will be planned and submitted to the Western Australian Department of Mines and Petroleum for approval.

Gold exploration and development remains Kidman's key focus at Mt Holland, where there is already a combined Measured, Indicated and Inferred Resource of more than one million ounces.

Recent drilling at Mt Holland's key Blue Vein deposit, where there is a Combined Measured, Indicated and Inferred Resource of 372,000oz at 2.39g/t, extended the mineralisation by another 60m down-dip (see ASX release dated June 20, 2016).

However, as previously reported, Kidman is conducting a review of Mt Holland's lithium potential following several approaches from third parties interested in securing the lithium rights. This review is aimed at ensuring Kidman shareholders receive full value for this asset.

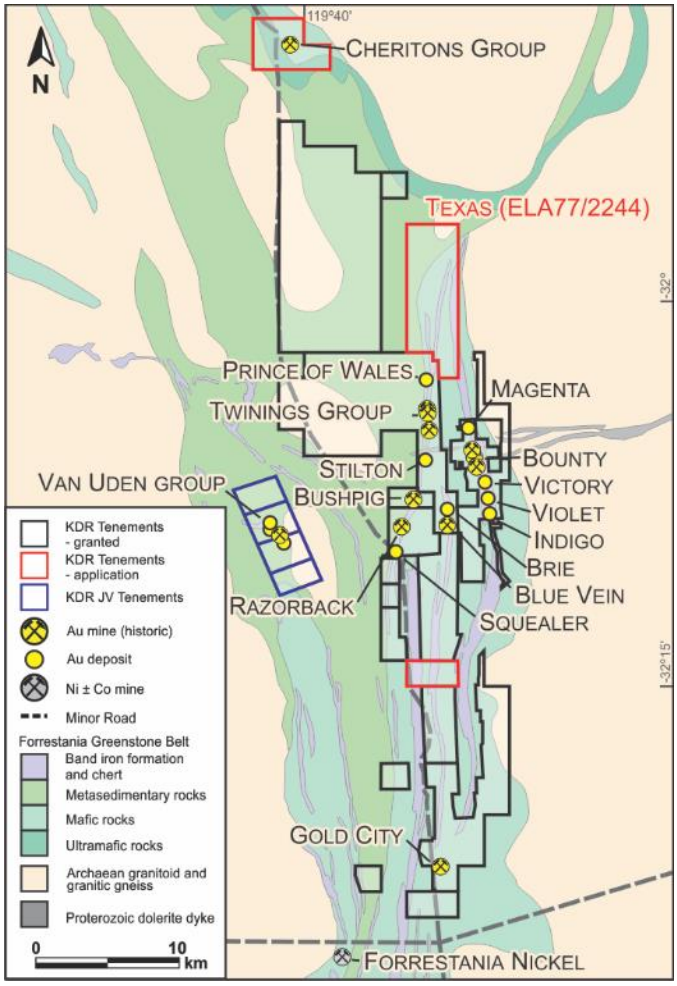


Figure 4: Mt Holland Tenement package, with ELA77/2244 highlighted in close proximity to the Bounty mineralised pegmatites.

Kidman Background

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

Kidman has also entered into a Binding Agreement to acquire the 1moz Mt Holland gold field near Southern Cross in WA. The company intends to upgrade the existing gold resource at Mt Holland with a significant RC and Diamond drilling program, followed by an update to the feasibility study.

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

For personal use only

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

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

For further information on the Company's portfolio of projects please refer to the website at:

Media:
Paul Armstrong / Nicholas Read
Read Corporate
0421 619 084

Martin Donohue
Managing Director
Twitter @DonohueMartin
info@kidmanresources.com.au
+61 3 9671 3801

For personal use only