

19th October, 2015

ASX Release

Kidman Resources Limited  
ABN 88 143 526 096

**Corporate Details:**  
ASX Code: KDR

**Issued capital:**  
132.3M ordinary shares

**Substantial Shareholders:**  
Capri 13.2m (9.98%)  
Holdex Nominees 11.3m (8.5%)

**Directors:**  
**Non-Executive Chairman:**  
Garrick Higgins  
**Managing Director:**  
Martin Donohue  
**Non-Executive Director:**  
Brad Evans

**Chief Operating Officer (COO):**  
Tony Davis

**Chief Financial Officer (CFO):**  
Melanie Leydin

**Company Secretary:**  
Justin Mouchacca

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## Hits of up to 34gpt put Kidman on track for Resource upgrade at Burbanks gold project, WA

### Meanwhile, open pit mining and production is continuing

Kidman Resources Limited (ASX: KDR) is pleased to advise that it has made strong progress in its strategy to establish a mine plan, including full cost and production forecasts, at its Burbanks gold project in WA, with results of up to 34gpt from the initial part of the underground drilling program.

The results support Kidman's view that there is strong potential to establish a significant Resource and Reserve at Burbanks underground, which will in turn underpin a mine plan with cost and production forecasts.

Results from the drilling program include 1m at 34gpt, 1m at 17.2gpt, 0.6m at 16.9gpt and 5.2m at 3.05gpt over multiple lodes.

Drilling remains ongoing with further assays expected shortly with a high number of samples currently at the laboratory.

Kidman started production at Burbanks, near Coolgardie, in mid-September this year. It poured 1340 ounces in the final two weeks of the month generating revenue of A\$2.16 million.

This gold came from the Burbanks underground mine. However, Kidman is now also processing ore from the nearby open cut at Burbank's.

The pit is forecast to produce 4552oz at 4.32gpt in the December 2015 quarter. Approximately 80% of these ounces are Probable Ore Reserves with the balance in the Inferred Resource category. The inferred component has less certainty that the production target itself will be realised. C1 costs are forecast to be A\$798/oz and all-in

sustaining costs are forecast to be A\$875/oz providing a robust margin at the current Australian dollar gold price.

This open cut ore will be supplemented by ore from the underground mine and from early 2016 all ore processed from Burbanks will be sourced exclusively from underground.

Kidman Managing Director Martin Donohue said the initial underground drilling results were in line with the Company's expectations.

"Based on what we know about the Burbanks underground mine and what we have seen from the ore we have mined so far, we are confident we can establish a robust life of mine plan" Mr Donohue said.

"We are also confident that this will demonstrate Burbanks' potential to be a substantial gold project with low costs and strong cashflow."

**Image 1.0 Underground diamond drilling on the 1280 level**



Image 2.0 Burbank's underground drill intercepts 5320mN oblique section

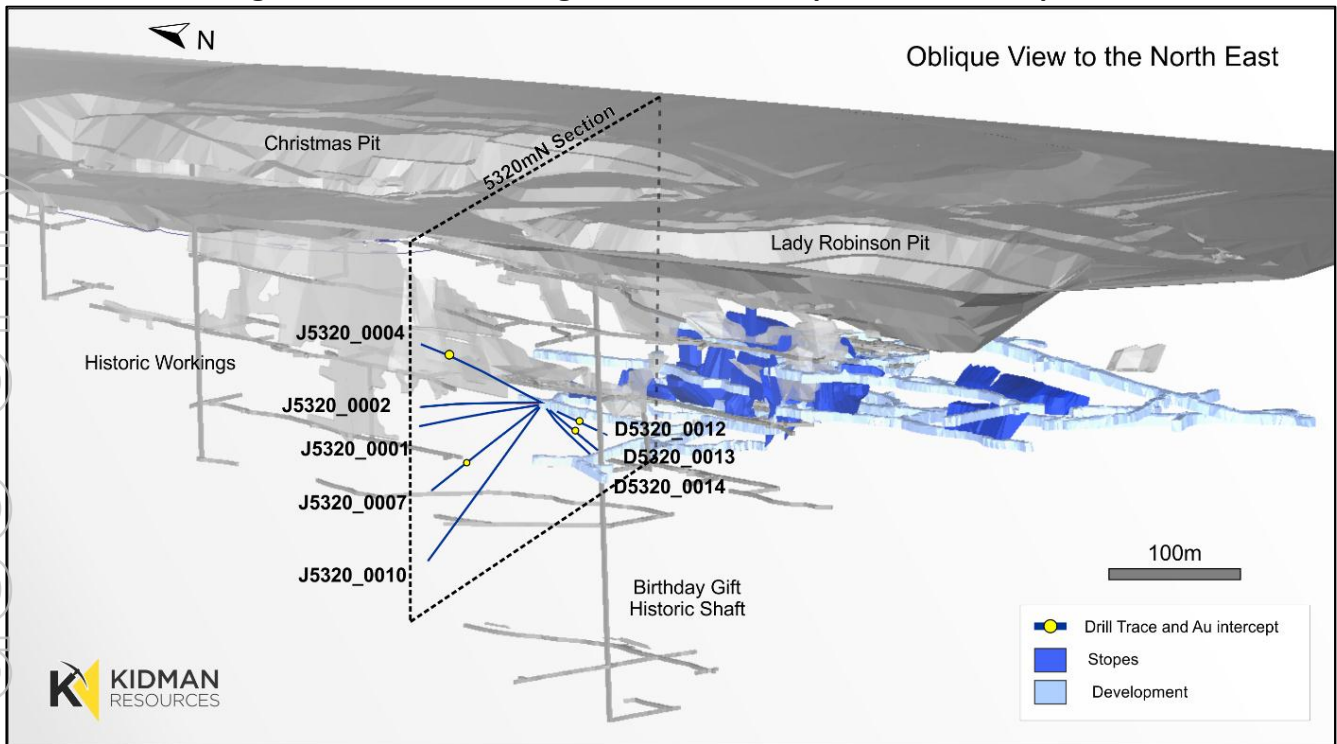
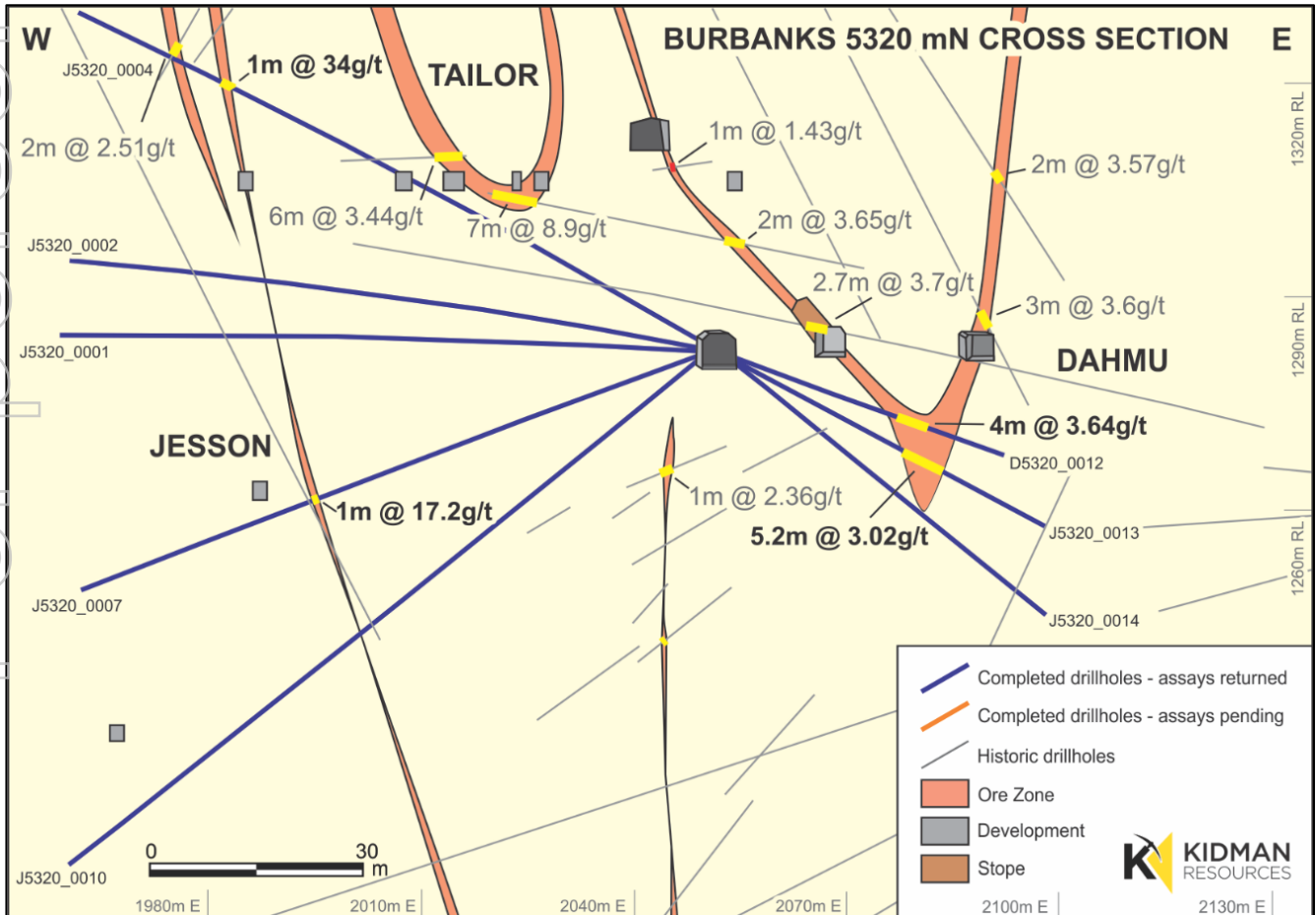


Image 3.0 Burbank's underground drill intercepts 5320mN section



## **Kidman Background**

Kidman is a diversified resource company currently establishing the Burbanks Gold Mine near Coolgardie in WA for production to commence in the September quarter of 2015.

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

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

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

For further information on the Company's portfolio of projects please refer to the website at: [www.kidmanresources.com.au](http://www.kidmanresources.com.au)

### **Media:**

#### **Read Corporate**

**Paul Armstrong / Nicholas Read**

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### **Competent Persons Statement**

#### *Exploration:*

*The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets has been compiled by Mr. Michael Green BSc (Hons), MAusIMM, an employee of the Company. Mr. Green is a Member of the Australian Institute of Mining and Metallurgy and he has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) for reporting the exploration results. Mr. Green consents to the inclusion in this report of the contained technical information in the form and context in which it appears.*

### **Cautionary Statement**

*Readers should use caution when reviewing the exploration and historical production results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision.*

Burbanks 2015 Diamond Drillhole Intercepts

Drillhole	Easting (BBMG)	Northing (BBMG)	RL (BBMG)	Dip	Azimuth (Mine Grid)	EOH depth (m)	Downhole From (m)	Downhole To (m)	Downhole Intersection (m)	Au (g/t)	Prospect	Site Type
J5320_0001	2048.783	5318.214	1282.374	3.00	269.00	89.8	No significant intercept				Jesson	Diamond Core
J5320_0002	2048.836	5318.206	1282.827	11.00	269.00	89.3	No significant intercept				Jesson	Diamond Core
J5320_0004	2049.037	5318.133	1283.999	30.00	269.00	98.8	75	76	1	34	Jesson	Diamond Core
J5320_0007	2048.937	5318.146	1281.565	-20.20	268.04	92.8	57	58	1	17.2	Jesson	Diamond Core
J5320_0010	2048.947	5318.180	1280.904	-39.40	271.64	113.5	No significant intercept				Jesson	Diamond Core
J5260_0047	2055.561	5259.896	1278.829	4.60	269.74	105.3	No significant intercept				Jesson	Diamond Core
J5260_0049	2055.610	5259.895	1279.418	17.50	270.84	107.5	0	2	2	2.86	Jesson	Diamond Core
J5260_0050	2055.950	5259.901	1279.913	24.20	271.14	41.6	10.2	11	0.8	3.7	Jesson	Diamond Core
							14	15	1	4.3	Jesson	Diamond Core
							41	41.6	0.6	16.9	Jesson	Diamond Core
							Hole ended:Intersected old workings				Jesson	Diamond Core
J5260_0051	2055.875	5259.856	1279.681	30.30	270.74	49	10.7	12.2	1.5	5.1	Jesson	Diamond Core
							43	45	2	5.8	Jesson	Diamond Core
							Hole ended:Intersected old workings				Jesson	Diamond Core
J5260_0061	2055.855	5259.905	1279.519	21.90	271.04	112	10	11.8	1.8	3.55	Jesson	Diamond Core
D5320_0012	2054.158	5319.080	1281.461	-20.00	89.00	40.4	25	29	4	3.64	Dhamu Lode	Diamond Core
D5320_0013	2054.103	5319.011	1281.275	-28.20	89.94	50.7	27	32.2	5.2	3.05	Dhamu Lode	Diamond Core
D5320_0014	2053.300	5320.000	1281.500	-39.20	90.84	58	No significant intercept				Dhamu Lode	Diamond Core
D5320_0015	2053.300	5320.000	1281.500	-49.00	91.64	65.2	No significant intercept				Dhamu Lode	Diamond Core
D5300_0027	2050.800	5300.000	1280.100	-28.00	89.00	38.70	No significant intercept				Dhamu Lode	Diamond Core
D5300_0028	2050.800	5300.000	1280.100	-39.00	90.14	47.70	Processing Underway				Dhamu Lode	Diamond Core
D5300_0029	2055.600	5300.000	1280.000	-48.90	90.34	56.60	Processing Underway				Dhamu Lode	Diamond Core
D5280_0042	2058.200	5280.000	1278.500	-3.00	91.14	41.90	Processing Underway				Dhamu Lode	Diamond Core
D5280_0043	2058.200	5280.000	1278.500	-27.00	89.84	45.00	Processing Underway				Dhamu Lode	Diamond Core

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</li> </ul>	<p>This Table relates to the recent UG Diamond drilling programme undertaken by KDR at the Burbanks Project. The Burbanks Project has been sampled using Underground diamond drilling (DD). All DD sampled sections reported are LTK60. Core sample intervals are defined by the geologist to honour geological boundaries ranging from 0.3 to 1.5m in length.</p> <p>A total of 19 UG Diamond drill holes for 1343.8 m have been drilled by KDR to date. Holes were angled to optimally intersect the mineralised zones in consideration of site accessibility. To date analysis of 1214 samples have been received from the 1273 samples collected and submitted for analysis. Core is aligned and measured by tape, comparing to down-hole core blocks consistent with industry practice. Any discrepancies are immediately highlighted and addressed by the driller and their run sheet.</p> <p>Diamond drilling has been completed to industry standard using varying sample lengths (0.3 to 1.5m) based on geological intervals, which are then crushed and pulverised to produce a ~200g pulp sub-sample to use in the assay process. Diamond core samples are fire assayed (30g charge or 50g charge). Visible gold is occasionally encountered in core.</p>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<p>Previous operators carried out surface and underground diamond drilling by using HQ2, HQ3 and PQ2 (triple tube) LTK60 and NQ2 (standard tube) techniques. All core is routinely orientated using the ORI-shot device or similar (Ezy-Ori, Ezy-Mark). Hole depths range from 38.7m to 113.5m and averaged 70.73m. KDR has undertaken UG Diamond LTK60 diameter holes were drilled by DDH1.</p>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>RC recoveries are logged and recorded in the database. Overall recoveries are &gt;95% for Burbanks Project. Depths were checked against rod counts which were routinely carried out by the drilling contractor. Recoveries are recorded as a percentage calculated from measured core versus drilled intervals. DD drilling results in high core recovery due to the competent nature of the ground.</p> <p>Core samples were routinely visually checked for recovery, moisture and contamination. There is no known relationship between sample recovery and grade.</p>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<p>All information captured by previous explorers is imported into the Kidman database and verified before reporting. Kidman Resources undertakes industry best practice for any exploration programmes it undertakes. Steps taken are detailed below:</p> <p>Information on structure type, dip, dip direction, alpha angle, beta angle, texture, shape, roughness and fill material is stored in the structure table of the database. Photography of core has not been regularly completed by previous companies, this is standard practice by Kidman Resources.</p> <p>Diamond core is logged over varying intervals, dependent on observed changes for the variable under investigation (e.g. lithology, alteration etc.). The geological logs are carefully compiled with appropriate attention to detail.</p> <p>Kidman Resources utilises Field Marshall as its logging interface, with data recorded on multiple table files, these include geology, alteration, mineralisation, structure, orientation, fracture frequency, veining and recovery. Data is validated on entry using a library of standardised codes. For pre- Kidman Resources (KDR) activities, best practice is assumed.</p>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise</li> </ul>	<p>Core is half cut with a diamond core saw. Sample intervals were defined by a qualified geologist to honour geological boundaries. All mineralised zones are sampled plus associated barren material in contact with MZs. A total of 1273 samples were collected using Diamond Drilling - Half core sample sampling methods.</p> <p>Kidman Resources employees the services of ALS Kalgoorlie for all assaying required in exploration programmes. A total of 1299 samples were sent to ALS</p>

	<p>representivity of samples.</p> <ul style="list-style-type: none"> <li>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</li> <li>Whether sample sizes are appropriate to the grain size of the material being sampled.</li> </ul>	<p>Kalgoorlie for sample preparation.</p> <p>The procedure utilised include the following:</p> <ul style="list-style-type: none"> <li>Sort all samples and note any discrepancies to the client submitted paperwork. Record a received weight (WEI-21) for each sample. Separate out any samples for SG analysis onto a separate trolley to ensure they are not crushed.</li> <li>Dry samples at 95 degrees until dry.</li> <li>Perform non wax dipped SG analysis (OA-GRA08) on requested samples and return these to the drying oven once completed.</li> <li>Crush samples to 6mm nominal (CRU-21) split any samples &gt;3.2Kg using riffle splitter (SPL- 21).</li> <li>Generate duplicates for nominated samples, assigning D suffix to the sample.</li> <li>Pulverise samples in LM5 pulveriser until grind size passes 90% passing 75um (PUL-23). Check grind size on 1:20 using wet screen method (PUL-QC).</li> <li>Take ~400g working master pulp for 50g fire assay, AAS finish (Au-AA26)</li> <li>Samples are assayed for gold to 0.01ppm. Detection limits are in ppm unless otherwise noted. For pre-Kidman Resources (KDR) samples, best practice is assumed.</li> </ul>
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</li> <li>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</li> <li>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</li> </ul>	<p>For all drill core samples being reported, gold concentration is determined by fire assay using the lead collection technique with a 50 gram sample charge weight. An AAS finish is used and considered as total gold digestion.</p> <p>No geophysical results reported</p> <p>The QAQC protocols used include the following for all drill samples:</p> <ul style="list-style-type: none"> <li>The field QAQC protocols used include the following for all drill samples: <ul style="list-style-type: none"> <li>Commercially prepared certified reference materials (CRM) are inserted at an incidence of 1 in 20 samples. The CRM used cannot be identified by the laboratory,</li> <li>QAQC data is assessed when received from the lab and following import by an external database administrator.</li> </ul> </li> <li>The laboratory QAQC protocols used include the following for all drill samples: <ul style="list-style-type: none"> <li>Repeat analysis of pulp samples occurs at an incidence of 1 in 20 samples,</li> <li>The laboratory reports its own QAQC data on with each batch returned</li> <li>Failed standards are generally followed up by re-assaying a second 50g pulp sample of all samples in the fire above 0.1ppm by the same method at the primary laboratory.</li> </ul> </li> </ul> <p>Both the accuracy component (CRM's checks) and the precision component (duplicates and repeats) of the QAQC protocols are thought to demonstrate acceptable levels of accuracy and precision</p>
<p><b>Verification of sampling and assaying</b></p>	<ul style="list-style-type: none"> <li>The verification of significant intersections by either independent or alternative company personnel.</li> <li>The use of twinned holes.</li> <li>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</li> <li>Discuss any adjustment to assay data.</li> </ul>	<p>To date KDR has not twinned any drill holes. Primary data was collected using a set of standard logging templates on laptop computers using lookup codes.</p> <p>Once data collection is complete the information was sent to Geobase Australia for additional validation and compilation prior to loading into the company's into an Azeva Database Management System.</p> <p>KDR undertakes continual data integrity checks and validation. No adjustments or calibrations were made to any assay data. Holes drilled to date by KDR have been located with a Total Station and are assumed to be accurate to ± 0.1 m. This is considered appropriate for the current drill hole spacing. Single Shot Downhole surveys were completed as deemed appropriate.</p>
<p><b>Location of data points</b></p>	<p>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.</p>	<p>All horizontal coordinates are based on the Burbank Mine Grid and converted to GDA94_51S grid system. Drillhole collar locations have been surveyed using Total Station method/s by Minecomp personnel. These accuracy of the surveying ranges between 0.2 and 0.5 m</p> <p>All maps and plans are presented in MGA 94 Zone 51 or in Burbanks Mine Local Grid which is oriented 43 degrees magnetic-sub parallel to the strike of the major lithological units and structural features of the Burbanks area</p>

<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• <i>Data spacing for reporting of Exploration Results.</i></li> <li>• <i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i></li> <li>• <i>Whether sample compositing has been applied.</i></li> </ul>	<p>The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the classifications applied under the 2012 JORC Code Underground exploration and definition drilling has been drilled on a range of spacing, from 10m to 50m</p> <p>The mineralisation at Burbank's has demonstrated sufficient continuity in geological observations, but due to the high nugget effect of the ore body sludge drilling is often used to further delineate ore zones. Sludge holes are not reported as they do not meet adequate QAQC standards; they are however used as an operational control. Diamond and RC samples are measured as 1 metre intervals or cut to match geological boundaries.</p>
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• <i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i></li> <li>• <i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i></li> </ul>	<p>M15/161 lies axially along the Burbanks shear over a distance of ~6km. The shear trends northeast and dips steeply northwest. It is 60-100m wide within a package of basalts with intercalated gabbro/dolerite and sediments. The mineralised lodes form sub-parallel to the Burbanks Shear.</p>
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• <i>The measures taken to ensure sample security.</i></li> </ul>	<p>Sample chain of custody is managed by Kidman. Samples for the Project are stored on site and delivered to the laboratory in Kalgoorlie by Kidman Resources personnel. Whilst in storage the samples are kept in a locked yard that is monitored by CCTV. Tracking sheets tracks the progress of batches of samples.</p>
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• <i>The results of any audits or reviews of sampling techniques and data</i></li> </ul>	<p>A further internal review of the sampling techniques and data is being conducted by Kidman Resources as part of due diligence and continual review of protocols, this occurs as a matter of course for all exploration activities undertaken by Kidman Resources.</p> <p>Pre-KDR data audits were found to be minimal in regards to QAQC, though in line with industry standards of the time.</p>

## **Section 2 Reporting of Exploration Results**

<b>Criteria</b>	<b>JORC Code explanation</b>	<b>Commentary</b>
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• <i>Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</i></li> <li>• <i>The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</i></li> </ul>	<p>The drilling was undertaken on tenement ML15/161 and forms part of the company's Coolgardie project located in Western Australia.</p> <p>All tenements are in good standing. There are no heritage issues within the current exploration package. All leases and licences to operate are granted and in the order of 2 to 15 years.</p> <p>M15/0161 Barra Resources Caveat \$25/OZ M15/0026 SV 132.80H Royalty 2%, M15/0518 M15/0637, M15/1272 SV9.3H Philip Scott Milling Caveat, M15/1361, P15/4848, P15/4849, P15/4851, P15/4852, P15/5234, P15/5235 The Burbanks and Gunga projects consist of 1184Ha.</p>
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• <i>Acknowledgment and appraisal of exploration by other parties.</i></li> </ul>	<p>Previous Explorers in the tenement and Project area include Unknown, WMC, Jarrafire, Pettingill, Barra, Callion, Normandy, AMALG, Barra Resources, Perseverance, Jones Mining, Blue Tiger.</p> <p>In total including KDR exploration there has been</p> <ul style="list-style-type: none"> <li>o 1812 Drillholes holes for 118,481.19 m</li> <li>o 389 Grade Control Drilling and Face Samples taken for 4907.90 m</li> </ul> <p>1885-1914 The Birthday Gift mine was established following the discovery of Gold at Burbanks in 1885, the greatest period of production occurred from 1897-1903. Work then ceased at the project with the commencement of the First World War.</p> <p>1946-1951 New Coolgardie Mines acquired and consolidated the operations at Burbanks. Management of the project was then assumed by Western Mining from 1948-1951.</p> <p>From the early 1950s to 1978 the old mine workings at Burbanks were covered by some 20GMLs.</p> <p>In 1978 Jones Mining NL acquired all 20 GMLs and pegged two prospecting licences to the north. In 1985 these tenements were amalgamated into a single mining lease M15/161.</p> <p>1985-1991, in 1986 Jones Mining reached a joint agreement with Callion Mining Pty Ltd, a partnership with Metallgesellschaft of Australia Pty Ltd and Lubbock Nominees, whom conducted several phases of shallow</p>



		<p>RAB exploration.</p> <p>1991-1999 Amalg Resources purchased the Burbanks mining lease from Metallgesellschaft in 1991, Amalg then proceeded to establish the Christmas Open pit. Amalg Resources then sold ML15/161 to Barra Resources whom commenced a drill programme to target the 7 level mineralisation mined by WMC and to extend the mineralised lodes within the Christmas and Lady Robinson Pits.</p> <p>The Burbanks Project then became fully acquired by Blue Tiger Mines (a private entity) in 2013.</p> <p>All previous work is accepted and assumed to be industry standard at that time</p>
<p><b>Geology</b></p>	<p>• <i>Deposit type, geological setting and style of mineralisation.</i></p>	<p>The Burbanks Project is located within the southern extents of the northeast – southwest trending, reverse - dextral Burbanks Shear Zone. The stratigraphy is characterised by a sequence of steeply west-dipping to sub-vertical, fine grained high MgO basalts (typically pillowed) grading to fine-medium grained and massive-ophitic dolerites. This sequence trends northeast – southwest, largely parallel with the Burbanks Shear Zone. Intruding this sequence are a series of fine to medium grained, garnetiferous diorite bodies. The dioritic intrusives are commonly sub-vertical, 2 – 50m thick, and sub-parallel to the surrounding mafic sequence, exhibiting strike lengths from 20-250+m. Mafic – diorite contacts are not always sharp, owing to the later reheating and partial assimilating with the mafic host sequence.</p> <p>Earlier structural observations (Knight et al, 1993) have identified that ore zones at Burbanks are characterised by NE striking, laminated and highly boudinaged, steeply dipping quartz - carbonate lodes. Recent mining activity from July 2006 to present confirms the nature of these mineralised systems while also emphasising the importance of both mafic and intermediate (diorite) rocks as hosts to mineralisation</p> <p><b>Mineralisation</b></p> <p>Three main styles of mineralisation have been observed at Burbanks, each related to a specific host rock sequence. The Jesson and Hadfield lodes provided the greatest contribution to historical tonnes and ounces at Burbanks. Both lodes lie on the western edge of the known mineralised system at Burbanks, hosted within a sequence of moderately foliated pillow basalt grading to fine grained dolerite. Mineralisation commonly occurs as thin, sub vertical to steeply east dipping highly boudinaged, attenuated and pygmatic, anastomosing quartz – carbonate veins, surrounded by a moderate to strong biotite – amphibole – chlorite – carbonate alteration assemblage with lesser (1 – 5% pyrrhotite). The recently discovered Dahmu lode (located on the far eastern edge of known mineralisation) bears some similarities with Jesson and Hadfield.</p> <p>The second style, of which the Tailor system is an example, is hosted mostly within fine to medium grained dolerite, and displays more brittle textures. Quartz veining is more frequent with both laminated and breccia textures noted. Both larger scale open folds and tighter, superimposed pygmatic folds are also observed throughout. An alteration assemblage of biotite – silica – amphibole - chlorite – carbonate is commonly noted, with 5 – 15% pyrite and pyrrhotite present within high-grade zones.</p> <p>The Wahloo and Eastern lodes represent the third major ore style at Burbanks. These systems are hosted almost exclusively within fine to medium grained, garnetiferous diorite. Unlike the previous styles, veining within Wahloo and Eastern is represented by highly irregular, often chaotic quartz – carbonate stringers and as such, were poorly understood when mined historically. Alteration accompanying quartz veining is characterised by silica – sericite – carbonate, with 5 – 20% fine disseminated pyrite and pyrrhotite within high-grade intervals.</p> <p>Development and spatial setting of ore systems at Burbanks have been influenced by several factors; most notably stratigraphy and competency contrast. As highlighted in the previous section, Wahloo and Eastern ore zones are focused almost exclusively within diorite. Highest grading ore typically focuses along both the eastern and western diorite contacts. During deformation, diorite (owing to its high silica content) acts in a more brittle manner than the surrounding mafic sequence, allowing auriferous fluids to</p>

		preferentially focus into these host units. Jesson and Taylor style mineralisation exhibit a more ductile texture due primarily to being hosted within mafic sequences. Orientation of these lodes are subsequently sub-parallel to the regional Burbanks Shear Zone and exhibit a boudinaged, poddy and discontinuous style in keeping with their more ductile setting.
<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes: <ul style="list-style-type: none"> <li>o easting and northing of the drill hole collar</li> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> <li>o hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	See previous announcements by KDR for a table of Significant historical intercepts.
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>High grade intervals internal to broader zones of mineralisation are reported as included or within intervals.</p> <p>Maximum internal dilution is 2m within a reported interval.</p> <p>No grade top cut off has been applied.</p> <p>No metal equivalent is used or applied.</p> <p>A minimum cut-off grade of 0.1g/t Au is applied to the reported gold intervals</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	M15/161 lies axially along the Burbanks shear over a distance of ~6km. The shear trends northeast and dips steeply northwest. It is 60-100m wide within a package of basalts with intercalated gabbro/dolerite and sediments. The mineralised lodes form sub-parallel to the Burbanks Shear. Underground drilling is predominantly perpendicular to the lodes, as the thickness of most lodes has been established from face and backs mapping underground true widths of drill intercepts are easily calculated.
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	Refer to Figures in body of text. Diagrams of each section have not been provided as Logging and interpretation of data is still underway thus producing sections with unfinished interpretation would represent bias to the Orebody. These sections will be included as drilling continues in the Underground operation and interpretations qualified
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	Representative results have previously been reported in Announcements by KDR. All results to date are reported in the table provided from the UG Diamond drill programme.
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	Multi element assaying has historically been conducted routinely on samples for a suite of potentially deleterious elements. Forthcoming work will include this type of analysis. The results shown are from historic work completed before the acquisition by Kidman Resources.
<b>Further Work</b>	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> </ul>	KDR is currently undertaking a UG Diamond Drilling programme to delineate future mining areas within the Birthday Gift Underground. Face sampling and back mapping is routinely undertaken during Underground production activities. A review of historic drill holes is underway with multiple holes to be sampled as areas of interest have not historically been assayed. These results will be used internally for Grade Control modelling.