

October 26<sup>th</sup> 2016

ASX Release

 Kidman Resources Limited  
 ABN 88 143 526 096

**Corporate Details:**  
 ASX Code: KDR

**Issued capital:**  
 313.5M ordinary shares  
 47.45 listed options (KDRO)

**Substantial Shareholders:**  
 Capri Trading (10.3%)  
 Acorn Capital (7.5%)

**Directors:**  
**Non-Executive Chairman:**  
 Peter Lester

**Managing Director:**  
 Martin Donohue

**Non-Executive Director:**  
 Brad Evans

**Chief Financial Officer (CFO):**  
 Jason Eveleigh

**Company Secretaries:**  
 Justin Mouchacca  
 Melanie Leydin

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## Kidman takes key step towards lithium development with completion of Resource drilling

### *Preparations now underway for drilling at the 2.2km-long Prince of Wales pegmatite*

Kidman Resources Limited (ASX: KDR) is pleased to advise that it has completed resource drilling at the Earl Grey lithium-bearing pegmatite within its Mt Holland project in WA and is on track to publish a maiden JORC Resource estimate in December.

Kidman has outlined mineralization at Earl Grey over an area measuring 1.4km by 750m with an estimated average thickness of 70-80m. The pegmatite outcrops at the southern end and is a relatively flat structure.

Earl Grey, which is part of the Mt Holland project near Southern Cross, also remains open in several directions and drilling continues with the aim of extending its known parameters beyond the initial Resource estimate.

In parallel with the Resource estimate, Kidman is updating the environmental studies at Mt Holland. Earl Grey sits on an existing Mining Lease at Mt Holland and therefore these studies are well advanced. Metallurgical and mining studies are also progressing rapidly.

At the same time, Kidman is preparing to start drilling the extensive Prince of Wales pegmatite at Mt Holland. This pegmatite, which sits on the same geological structure as Earl Grey and is located just 4km away, has been outlined by historical drilling over an area measuring 2.2km by 340m. The pegmatite has been intersected within 5m from surface.

However, this drilling was part of a gold exploration program and therefore no lithium assays were conducted.

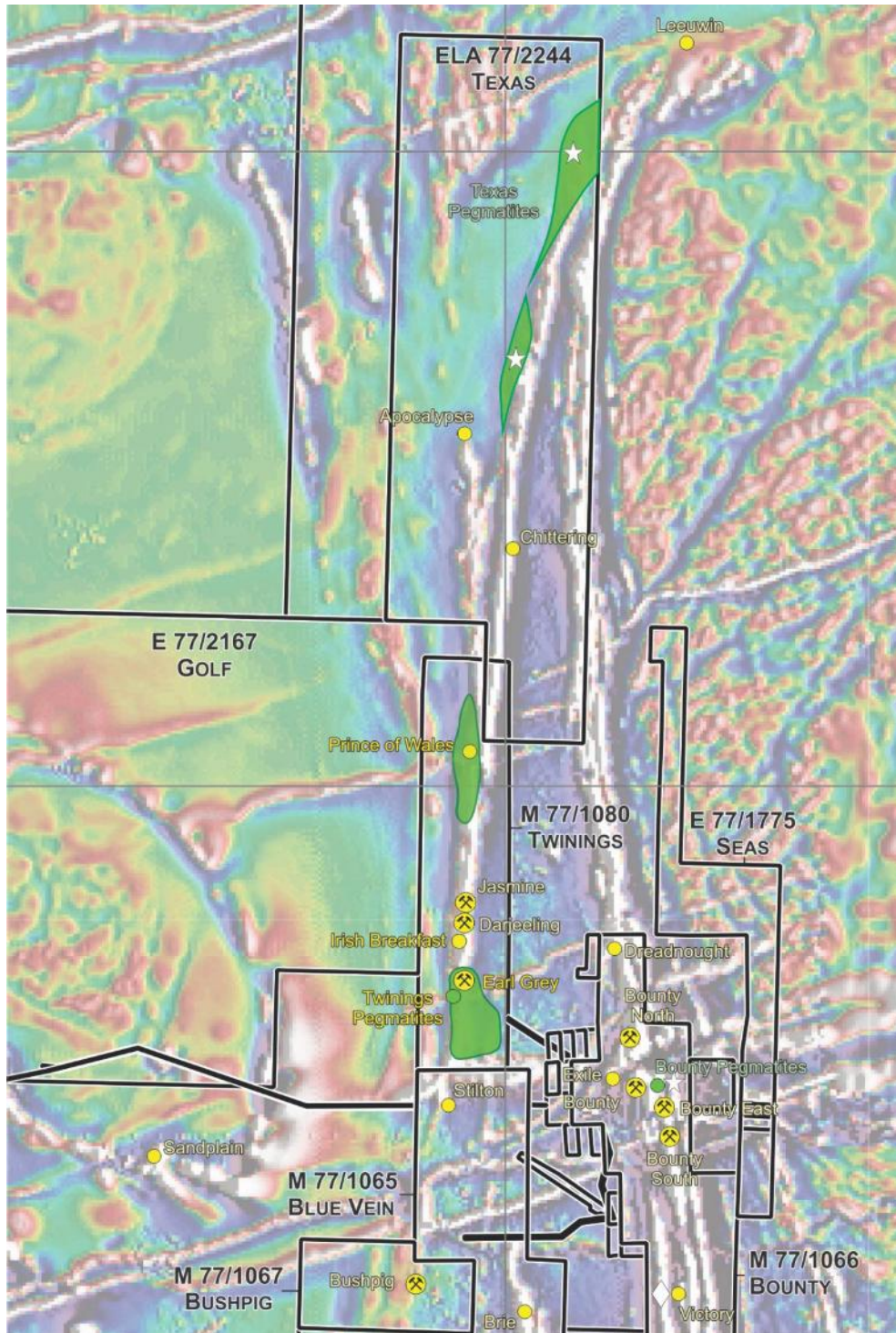
Applications are also being prepared for drilling at the very large Texas pegmatite at Mt Holland. Historical drilling has outlined Texas over a 6.3km strike length but no lithium assays were conducted.

Kidman Managing Director Martin Donohue said “the results from Earl Grey and the outstanding potential of the other known pegmatites meant the Company was now well on track to achieving its goal of being a major, low-cost lithium producer”.

“The scale, the grades, the shallow nature of the pegmatites and the fact that they sit on an existing Mining Lease all support our strategy to rapidly develop a low-cost operation,” Mr Donohue said.

“With the JORC Resource now being estimated, we can advance on several fronts at the same time. This approach will combine further exploration drilling at Earl Grey and Prince of Wales, various development studies and other work aimed at accelerating the production timetable.”

Further assays from the Earl Grey resource drilling program will be released to the market shortly.



**Figure 1.0. Kidman’s Mt Holland tenement package showing Mining and Exploration Leases over magnetics. Earl Grey, Prince of Wales and Texas pegmatites highlighted in green.**

## **Kidman Background**

Kidman is a diversified resource company which owns the Mt Holland lithium and gold project near Southern Cross in WA (see ASX Announcement 18th December for further details of the project). The Company intends to revise the existing gold resource at Mt Holland with a significant RC and Diamond drilling program, followed by an update to the feasibility study undertaken by previous operators. The company is now also drilling to further test the highly prospective Lithium targets within the Mt Holland tenement package and has entered into an MOU to potentially process Lithium ores at the Lake Johnston 1.5Mtpa concentrator owned by Poseidon Nickel.

Kidman also owns the Burbanks Gold Mine near Coolgardie in WA.

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

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

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

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

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