19 December 2017 **ASX Release**

Kidman Resources Limited
ABN 88 143 526 096

Corporate Details:
ASX Code: KDR

Issued capital:
350.14M ordinary shares
47.45 listed options (KDRO)

***Substantial Shareholders*:**
EDM Nominees (9.34%)

Directors:
Non-Executive Chairman:
Brad Evans

Managing Director:
Martin Donohue

Non-Executive Director:
David Southam

Chief Financial Officer:
Jason Eveleigh

Company Secretaries:
Justin Mouchacca
Melanie Leydin

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EXPLORATION DRILLING AT BOUNTY HIGHLIGHTS POTENTIAL FOR A NEW LITHIUM DISCOVERY AT THE MT HOLLAND PROJECT

The Board of Kidman Resources Limited (**Kidman** or **the Company**) is pleased to announce that the first pass of its exploration program at the Bounty prospect, 3.5km south-east of the world-class Earl Grey lithium deposit, has intersected multiple pegmatites enriched in lithium and tantalum.

The intersections at Bounty have demonstrated geological and mineralisation continuity, and will be tested further with a follow-up program in 2018 with the aim of defining a second Mineral Resource at the Mt Holland Integrated Lithium Project.

Significant intercepts of lithium and tantalum in Bounty's KBYD001 and KBYD002 include:

- **17.6m @ 1.67% Li_2O from 146m, incl. 9.65m @ 2.34% Li_2O from 151m (KBYD001)**
- **4.0m @ 1.38% Li_2O from 63.2m, (KBYD001)**
- **3.7m @ 1.35% Li_2O from 92.1m (KBYD001)**
- **1.2m @ 1.02% Li_2O from 61.6m (KBYD001)**
- **1.1m @ 1.28% Li_2O from 97.6m (KBYD001)**
- **2.3m @ 1.39% Li_2O from 108.8m (KBYD001)**
- **5.9m @ 0.85% Li_2O from 206.0m (KBYD001)**
- **3.0m @ 1.39% Li_2O from 225.0m (KBYD001)**
- **2.5m @ 1.38% Li_2O from 325.5m (KBYD001)**
- **65.0m @ 138ppm tantalum (Ta) from 78.0m (KBYD002)**

Kidman's Managing Director, Martin Donohue, said: "Early indications at Bounty are extremely encouraging with the intersections demonstrating the hallmarks of a potentially significant discovery in its own right.

"Importantly and strategically, Bounty has the potential to be an important additional source of material for the Mt Holland Integrated Lithium Project, on the basis that our program in 2018 demonstrates the same type of early results achieved from this first pass program.

Combined with what we already know about Earl Grey, the Mt Holland Lithium Joint Venture is shaping as a robust and long-term supplier of lithium to an ever-demanding global battery market.

While these results are clearly encouraging, our core focus will remain to progress the Earl Grey lithium deposit."

Further Information

Structural data generated from the first-pass exploration program has allowed the pegmatite and mineralisation model at Bounty to be refined. Further drilling in the 2018 program is designed to define the pegmatite body with the expectation of delivering a maiden Mineral Resource at the Bounty prospect.

The intercepts at Bounty have demonstrated a more complex style of mineralisation, with both lithium and tantalum zones intersected. These results also add to the understanding of the broader fractionation and zonation trends within the Mt Holland Pegmatite Field. All of this information will contribute to vectoring on prospective pegmatite occurrences during the 2018 regional exploration program.

Earl Grey

The Resource definition drill program at Earl Grey is ongoing, with drilling expected to continue into the first quarter of 2018. Delivery of an updated and expanded Mineral Resource estimate remains on track to be completed by the end of the March quarter 2018. Kidman's technical team is confident that these results will underpin a material increase in the Mineral Resource inventory at Earl Grey, leading to determination of an Ore Reserve at Mt Holland around mid-year.

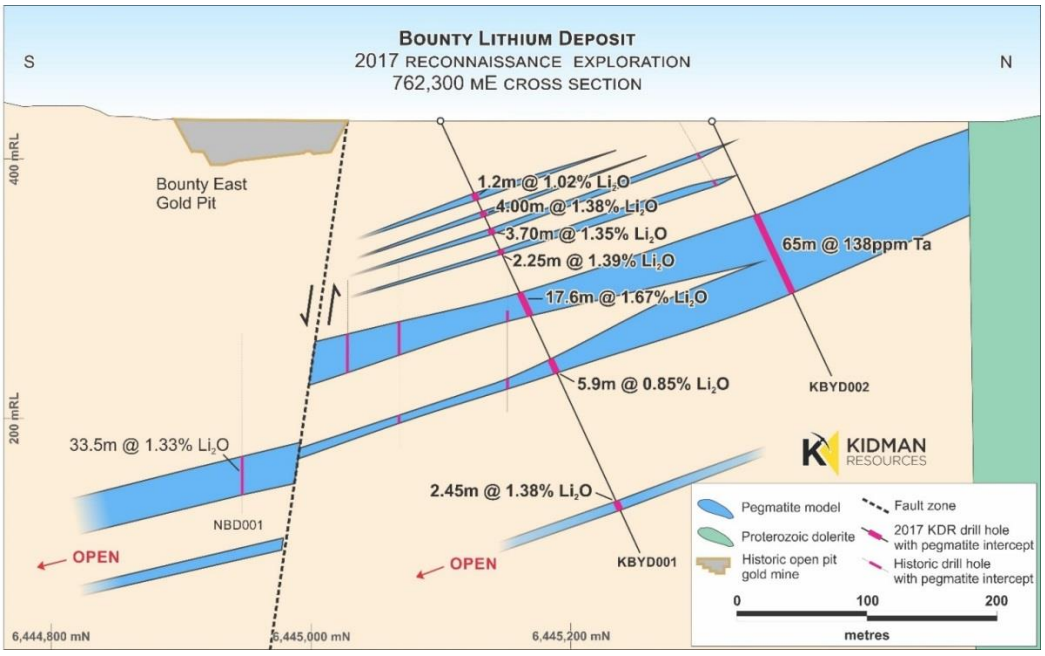

Image 1: 762,300 section showing multiple intercepts of the Bounty pegmatite swarm.

Image 2: Core from KBYD001 with coarse-grained spodumene throughout wide interval.

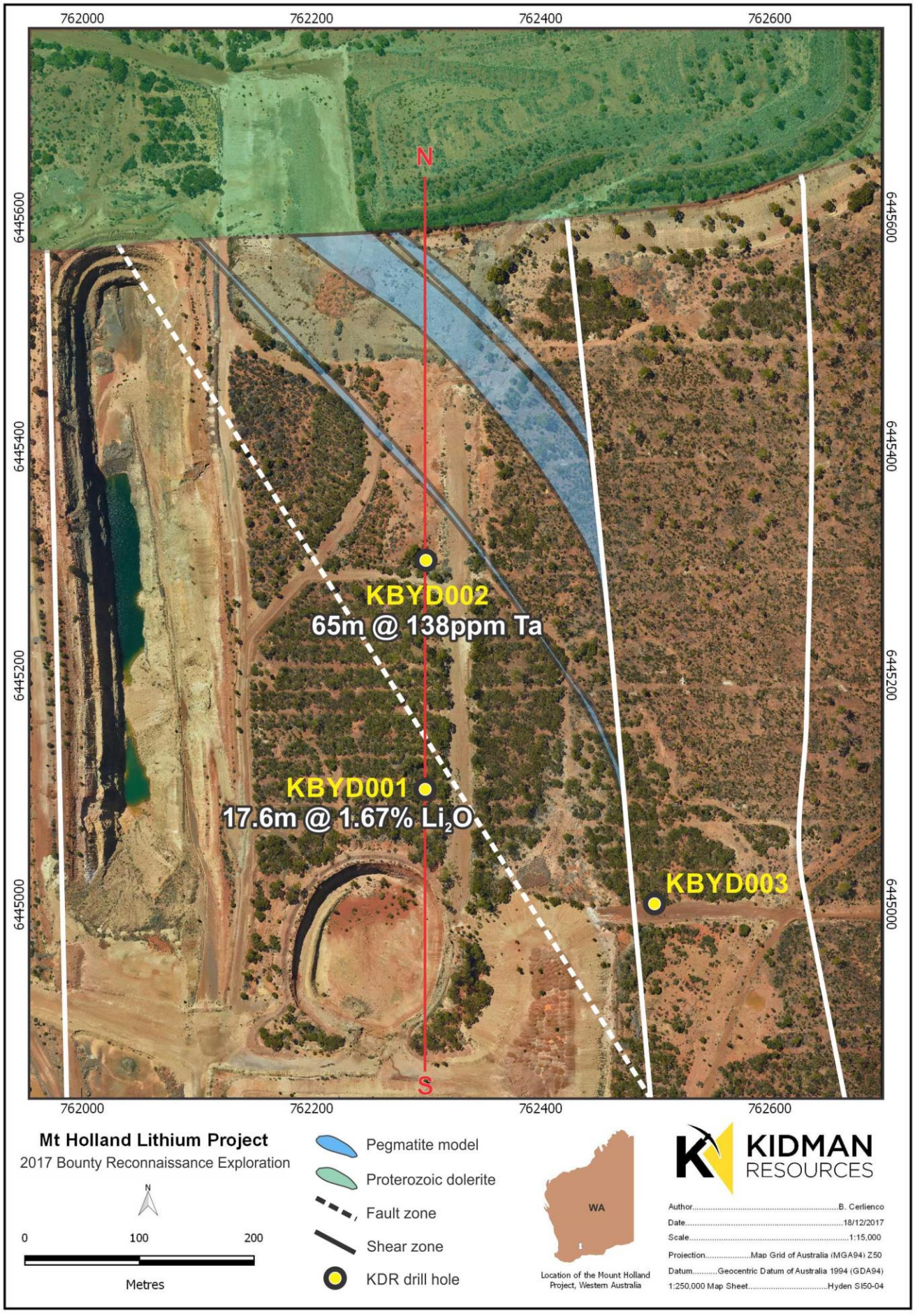

Image 3: Plan View of drill hole locations completed in reconnaissance drill program at Bounty.

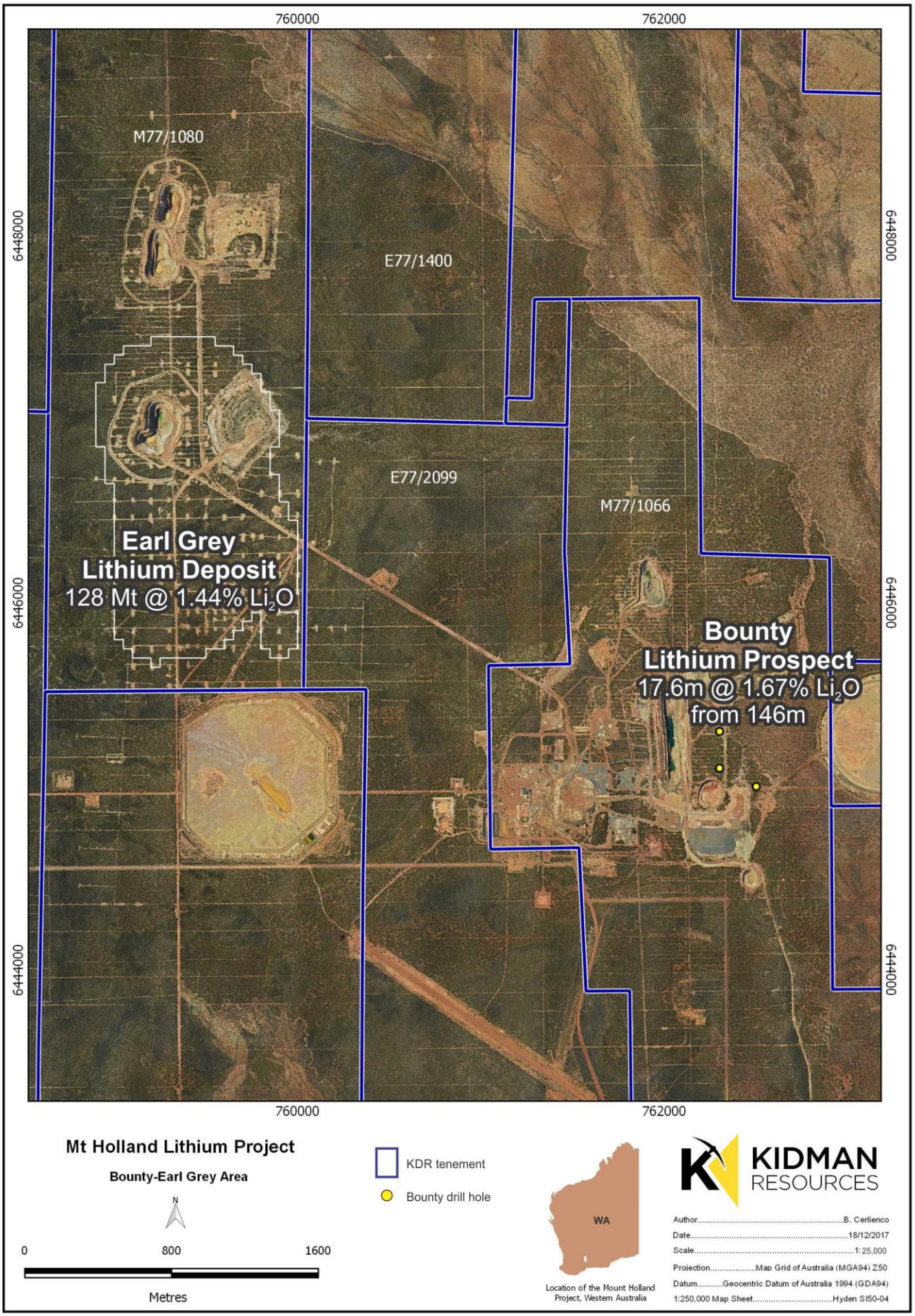

Image 4: Location of the Bounty Reconnaissance Drilling in relation to the Earl Grey Lithium Deposit.

KIDMAN BACKGROUND

Kidman Resources Ltd (ASX: KDR), a precious and base metals company, holds the Tier-1 globally-significant Earl Grey Lithium Deposit (128Mt @ 1.44% Li_2O) (*See KDR ASX Announcement 14 December 2016)* as well as the Mt Holland Gold Project located centrally within the Forrestania Greenstone Belt near Southern Cross in Western Australia

For further information on the Company's portfolio of projects please visit www.kidmanresources.com.au

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Gavan Collery, phone +61 (0) 419 372 210 or email 'info@kidmanresources.com.au'

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 reviewed by Mr. M. Green BSc (Hons), MAusIMM. Mr. Green is an employee of the Company; Mr. Green is a shareholder of Kidman Resources. Mr. Green is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience with the style of mineralisation and type of deposit 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). Mr. Green consents to the inclusion in this report of the contained technical information in the form and context as it appears.

Forward Looking Statements and Important notice

This announcement contains certain statements which may constitute forward-looking statements. Such statements are only predictions and are subject to inherent risks, uncertainties and other factors which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements.

Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward-looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this document are based generally on the Company's beliefs, opinions and estimates as of the dates the forward-looking statements that are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although the Company believes the outcomes expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include license applications, the development of economic mineral or metal substitutes and general economic, market or business conditions. While, the Company has made every reasonable effort to ensure the veracity of the information presented they cannot expressly guarantee the accuracy and reliability of the estimates, forecasts and conclusions contained herein.
Accordingly, the statements in the presentation should be used for general guidance only.

Appendix 1

TABLE 1: DRILL HOLE DETAILS

Mt Holland, Western Australia									
Drill Hole	**Drill Type**	**Northing (m) MGA94 Zone 50 S**	**Easting (m) MGA94 Zone 50 S**	**AHD RL (m)**	**Inclination (°)**	**Azimuth (°)**	**Pre-collar depth (m)**	**Total length (m)**	**Deposit**
KBYD001	DD	6,445,099.18	762,298.77	428.67	-65.18	1.36		366.3	Bounty
KBYD002	DD	6,445,310.26	762,301.65	427.92	-65	1.5		216.7	Bounty
KBYD003	DD	6,444,996.11	762,497.15	429.53	-65.37	359.66		297.77	Bounty

TABLE 2: WEIGHTED GRADE INTERCEPTS FOR REPORTED DRILL HOLES (0.5% Li_2O CUT-OFF)

Bounty Pegmatite Intersections; Mt Holland Project, Western Australia											
Drill Hole	**Mineralised interval (m)**	**Weighted Grade Li_2O %**	**Weighted Grade Ta ppm**	**Down Hole Depth From (m)**	**Down Hole Depth To (m)**	**Included Interval**				**Drill Type**	**Year**
						Mineralised Interval (m)	**Weighted Grade Li_2O %**	**Down Hole Depth From (m)**	**Down Hole Depth To (m)**		
KBYD001	1.2	1.02	-	61.55	62.75					DD	2017
KBYD001	4.00	1.38	-	63.20	67.20	1.80	2.04	63.20	65.00	DD	2017
KBYD001	3.70	1.35	-	92.10	95.80	2.00	1.61	93.00	95.00	DD	2017
KBYD001	1.05	1.28	-	97.60	98.65					DD	2017
KBYD001	2.25	1.39	-	108.75	111.00					DD	2017
KBYD001	17.60	1.67	-	146.00	163.60	9.65	2.34	151.00	160.65	DD	2017
KBYD001	5.90	0.85	-	206.00	211.90					DD	2017
KBYD001	3.00	1.39	-	225.00	228.00					DD	2017
KBYD001	2.45	1.38	-	325.45	327.90					DD	2017
KBYD002	65	-	138	78	143					DD	2017
KBYD003	No significant intercept										

Appendix 3

JORC Code, 2012, Table 1

SECTION 1 SAMPLING TECHNIQUES AND DATA

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *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.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report.* • *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 (eg submarine nodules) may warrant disclosure of detailed information.*	• This table relates to recent results from the surface drill programme at the Bounty Prospect. All drill holes completed are listed in Appendix 1. • All drill holes being reported, Appendix 1, have had sample intervals selected from them by KDR personnel; on average over 1m intervals, based on return interval and geological logging • Selected core sample intervals from cored holes (refer to Appendix 1 and reported previously) were taken from the core trays by lengthwise quarter (or half) core cutting method as per industry standard practice. • Samples were selected on a basis of pegmatite intersection in which notable spodumene occurs, or other notable geological feature and hence are not an entirely unbiased sample. However sampling is relevant to the type of deposit being studied and within best industry practice. • Samples were forwarded to certified laboratory for analysis where they were weighed, crushed, reweighed, pulverised and split to produce a ~200g pulp subsample to use in the assay process. • 361 total samples from the drill holes (Appendix1), were assayed by inductively coupled plasma mass spectrometry (ICP) or mass spectrometry (MS) and indicated in the heading of Appendix 2. ○ 16 check/standard samples were in evidence within the reported sampled intervals.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg 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).*	• Diamond drilled holes (KBYD designation) (Appendix 1 or *Sampling Techniques*) were drilled by DD method using a standard NQ2 (47.6mm) HQ (63.5mm) or PQ (85mm) diameter core technique; this is an industry standard core sizes.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *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.*	• Recoveries for the DD drill core are in the order of 95-100%. • Recoveries are notably less where shear zones or other structural disruptions have been intersected.
Logging	• *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.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All drill holes were geologically logged and recorded within a database by KDR. • Selected sampled intervals from the reported drill holes have been logged and compiled into a database. • Both quantitative and qualitative geological information captured by KDR was imported and consolidated into a database, for interpretation, analysis, and verification purposes. • All drill hole data includes: ○ Geological logging over geological and alteration basis, dependent on observed changes for various parameters (e.g. lithology, mineralogy, weathering, structural occurrence, etc.) ○ Drill core intervals were also logged on a geotechnical basis and a few structural orientation measurements recorded. ○ Drill core was routinely photographed on core tray basis. • The geological logging is compiled with appropriate attention to detail. • The database has hence been used for interpretation, geological and modelling purposes; database population and development is ongoing.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* • *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *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.* • *Whether sample sizes are appropriate to the*	• Selected sample intervals were sub-sampled on a near to 1 metre basis within geological boundaries. Interval samples of less than 1m were restricted by geological, mineralogical, alteration or other notable feature boundaries. • Diamond core samples were marked up prior to logging and sampling as per standard industry practice. • The core samples selected were cut lengthwise by diamond blade saw to give two half core lengths; This is standard industry practice. • One half (in NQ or HQ core), the selected core sample was collected and bagged, labelled and forwarded to a laboratory for chemical analysis. • The remainder of the sample length split samples have been retained. • A total of 361 samples were collected from a total drilled

		grain size of the material being sampled.	length of 880.77 metres. This excludes added field duplicates, blanks and check/standard samples. • The NATA accredited laboratory is registered to ISO 9001:2008 chemical analyses standards. They use industry best practice in the sample preparation facility and within the laboratory. • The sample preparation procedure used includes the following: o Sort all samples and note any discrepancies to the submittal form o Record a received weight (WEI-21) for each sample, o Crush samples to 6mm nominal (CRU-21), o Record a crushed samples weight, o Split any samples >3.2Kg using a riffle splitter (SPL-21), o Generate internal laboratory duplicates for nominated samples, assigning a 'D' suffix to the sample number, o Pulverise samples in LM5 pulveriser until grind size passes 90% passing 75µm (PUL-23), o Check pulverise size on 1:20 wet screen (PUL-QC), o Take ~ 100g work master pulp for 0.2g sample for sodium pentoxide fusion with ICP-OES or ICP-MS finish. • The elements the samples were assayed for in the laboratory are: Al_2O_3, As, CaO, Co, Cr_2O_3, Cu, Fe_2O_3, K_2O, Li_2O, Na, MgO, MnO, Ni, Pb, S, SiO_2, TiO_2, Zn, Cs, Nb, Rb, Sn, Ta, Th, and U; plus for select sections; Au.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *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.* • *Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• For the all samples reported the elemental concentrations has been determined as per the outline in the proceeding item. • Field QAQC has been supplied by KDR for the reported intervals. • 361 samples were assayed by inductively coupled plasma mass spectrometry (ICP) or mass spectrometry (MS) from the recently completed drilling. • A further included 16 check / standard samples were submitted for the reported sampled intervals. This is ~4% of the total number of samples, representing a ratio of approximately 1 check/standard sample in every 25 samples. • QAQC is also reliant upon high standard laboratory practice and supply of laboratory internal QAQC data.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* • *Discuss any adjustment to assay data.*	• As far as the technical expert is aware no historical pre KDR drill holes have been specifically twinned by KDR. Holes are planned to be drilled when further work is undertaken on the prospect. • The result between twinned drill holes have not been compared or checked at this stage. Such work is ongoing. • Industry standard practice is assumed for activities which occurred prior to KDR. • Primary historical data and any re-logging / new sampling data have been compiled into the KDR database. This database has undergone a process of on-going validation, evaluation and consolidation by KDR. This standard practice and is expected to continue as the project progresses. • The technical expert has reviewed a large number of extracts from the drill hole logs and drill hole data, these have been cross referenced to requested laboratory certificates as part of the TE audit process, no major discrepancies or inconsistencies have been noted. • No adjustments or calibrations to the original assay data have been made, all original data is maintained within the database. • All reported intercept intervals (Appendix 3) are normalised to the sample interval – weighted average method. These have been audited and compiled by the technical expert.
Location of data points	• *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.*	• All co-ordinates are MGA94 zone 50S grid datum. • Vertical regional level (RL) is assumed to be Australian height datum (AHD) level as the drill holes have an average RL of 445m whilst a local topographic peak at Mount Holland is 473m above sea level. • The drill holes location points were surveyed by hand held GPS initially. • Differential survey of drill collars from exploration programmes is normal to be conducted at a later stage. All holes reported have been surveyed by independent survey contractor using DGPS.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *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.* • *Whether sample compositing has been applied.*	• The reported results are based on selective sampling of target identified core (spodumene bearing pegmatite) from completed drill holes being reported (refer to Appendix 1) at the Bounty Deposit. • Samples were selected on a basis of core return interval of pegmatite occurrence; hence may not be an entirely unbiased sample. Though this is common practice for such type of drilling and deposit. • The recent spacing of the drill holes being reported (refer to figure 1, Appendix 1 and Appendix 2) alone are not sufficient to establish a high degree of geological and grade continuity appropriate for Mineral Resource and Ore Reserve reporting.

			They are indicative only of potential for the Exploration Target. • All reported intervals (within text and Appendix 3 for recently completed drill holes results) are weighted average grades over the summed thicknesses, this is normal industry practice. • Historical and previous KDR drill hole data and surface mapping indicate a high number of pegmatite intersections within the Mt Holland Project leases (refer to ASX Announcement 21 September 2016) and occurrences in application E77/2244 to the north. It is not known if all these intersections are spodumene bearing.
Orientation of data in relation to geological structure	•	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *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.*	• The orientation and other locality details of the drill holes mentioned in this announcement are given in Appendix 1. • Initial geological modelling indicates the majority of drill holes intersected the pegmatite at an acute angle (slightly less than 90^{o}), and therefore the intersect length is less than a representation of the pegmatite's true thickness. • True thickness is estimated from the drill holes angle of repose (inclination) and the intersected pegmatite interval; • Current understanding indicates that in the main pegmatite has a moderate south-westerly dip in the drilled This is consistent with contacts observed in drill core. • However elsewhere in the Mount Holland Project there are other pegmatite occurrences which appear to be southeast dipping, shallow North-westerly (Such as Earl Grey) and others which are near vertical. • The pegmatites can be truncated by east – northeast trending fracture (fault?) zones. • Relationship of the pegmatites and local or regional structures has not been fully established. • Pegmatites may intrude along fracture zones, the control for pegmatite intrusion orientation has not been fully determined.
Sample security	•	*The measures taken to ensure sample security.*	• Sample chain of custody is managed by KDR via batch sheets and/or computerised batch files, as well as email trail between KDR, transporters and laboratory. • Samples were collected and stored on site prior to delivery to the laboratory in Perth by KDR personnel. • Whilst in storage samples are kept in a locked yard. • Tracking sheets/files are used to track the progress of batches of samples.
Audits or reviews	•	*The results of any audits or reviews of sampling techniques and data.*	• Internal review of sampling techniques as well as data handling and validation is conducted by KDR as part of due diligence and continual review of protocols. • Further application of industry best practice in applying statistically valid number of field duplicates and field standards within intervals of high interest and Na (sodium analyses) as indicated by TE have been addressed as part of the ongoing programme. • Discussions regarding drilling / sampling methods and procedures have been on-going throughout the drilling programme between KDR and TE. • A previous technical expert visited site 8th March 2017 and discussed the current drilling programme, handling and sampling procedures with KDR staff. The TE was satisfied with all responses, observation of practices and the high standard of work being conducted.

SECTION 2 REPORTING OF EXPLORATION RESULTS

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *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.* • *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.*	• KDR has acquired the Mt Holland package of tenements. • M77/1066 is a granted mining lease covering 999.6 Ha held by Montague Resources Australia Pty Ltd, it was granted on 13 December 2004 for a period of 21 years. Bounty pegmatite deposit lies wholly with M77/1066. • KDR entered a binding Heads of Agreement to acquire MH Gold Pty Ltd the then owner of the Mt Holland gold project group of tenements during March quarter 2016. Settlement commenced in June 2016 subject to conditions being met in relation to pre KDR forfeiture claims. • A forfeiture claim is pending a portion of the tenement package however the tenure of KDR has established the tenements to be in good standing. • Kidman has also recently acquired E77/2099 and E77/1400. • KDR has also entered an Earn-In arrangement with WSA (see ASX Announcement 20th March 2017) • Application E77/2244 is has been granted. • KDR has begun a process to form a JV with Sociedad Quimica y Minera de Chile SA (NYSE: **SQM**) a global Lithium developer. The joint venture is for 50% of the Mt Holland Lithium Project • No cultural heritage issues have been reported. • Environmental monitoring and studies and review are ongoing. The current process being undertaken should not impact upon the project development.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Potential first recognised in 1980 by Harmark – Au and Ni • In 1985 Aztec conducted soil sampling of the tenement which highlighted a number of discrete zones with values ranging from 100ppb-1000ppb Au within a broad anomalous trend and significant anomalism around the future Bounty pit. The anomalies were then tested with RAB drilling. • During 1986 further RAB and follow-up RC intersected the main body of gold (Au) mineralisation which was eventually drilled out on 20x12m. The Au mineralisation was recognised as being associated with the pyrite and pyrrhotite. • Transient Electromagnetic surveys (TEM) were conducted over and along strike of the Bounty ore body further delineating the Mineral Resource. This found that the data was dominated by a westerly dipping, near vertical semi-continuous conductive zone, which thickens to the south and extends over the length of the survey. This is associated with sulphides within and peripheral to the contacts of the Bounty horizon. • In 1989 mining of the Bounty pit started. • The total ore mined from the Bounty, West and North Bounty pits was 640,000t @ 5.55g/t Au or 114,000oz Au. • Minor RAB and occasional RC drilling was undertaken north and south testing for strike extension. This effectively closed off the Au Mineral Resource to the north but left it open to the south. • In 1997 Forrestania drilled a number of holes to the east of the pit to test for potential nickel mineralisation. • No known previous exploration focussed on lithium .
Geology	• *Deposit type, geological setting and style of mineralisation.*	• **Regional Geology** ○ The Forrestania greenstone belt is located within the Southern Cross Domain of the Archean Youanmi Terrane, one of several major crustal blocks that form the Archean Yilgarn Craton of south western Australia. ○ The Forrestania greenstone belt and its northern extension, the Southern Cross greenstone belt, form a narrow 5-30 km wide curvilinear belt that trends north-south over a distance of 250 km. ○ The greenstone comprises a lower mafic-ultramafic volcanic succession, and an upper sedimentary succession intruded and bounded by granitoid batholiths. • **Local Geology** ○ The Bounty pegmatite was emplaced into sub-vertically dipping ultramafic stratigraphy of the Eastern Ultramafic belt. The pegmatites are partially visible in the Bounty gold pits and have been recorded in the underground workings. ○ Their structural setting is complex; Stewart (2016) recognised moderately south-dipping pegmatites, stacked sub-horizontal sill-like bodies gently folded about a north-south axis, and sub-vertical apophyses from pit mapping. Within the Bounty underground gold mine, both south-southwest dipping sheets and sub-vertical intrusions were noted (Rutherford, 1993) ○ The flat-lying sheets are associated with northwest-southeast oriented contraction during D4, and are linked to fault movement in the hanging wall of the major Bounty shear zone on the gabbro-BIF contact (Stewart, 2016). ○ Several Proterozoic dolerite dykes intersect the area, with the largest being the ~400m wide Binneringie Dyke. • **Pegmatite** ○ The Bounty pegmatites are homogenous to crudely zoned

		in drill core, and display two distinct textural domains where mineralised. The first consists of a fine- to medium-grained quartz-spodumene-albite pegmatite with minor muscovite, tourmaline and garnet. The spodumene in these zones is typically displays a euhedral to subhedral green-grey crystal form, and is often aligned perpendicular to the wallrock contacts. The second textural domain consists of a coarser, more obviously pegmatitic feldspar-petalite-spodumene-quartz assemblage with accessory muscovite and tourmaline. ○ Spodumene ($LiAlSi_2O_6$) and to a lesser extent petalite ($LiAlSi_4O_{10}$) are the main lithium minerals observed the pegmatite. Other trace lithium phases present include eucryptite, cookeite, elbaite, holmquistite and lithian micas. ○ Several other LCT pegmatites are known from the region and remain to be investigated. These include albite-spodumene, complex spodumene, and complex lepidolite type pegmatites, some of which contain historic records of tantalum and tin bearing phases in addition to lithium. Geochemistry indicates extreme levels of fractionation and rare-element enrichment, with the zonation of the pegmatite field still under investigation. ○ Ongoing geological logging and interpretation work will assist KDR's understanding of this zonation.
Drillhole Information	• *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:* • *easting and northing of the drill hole collar* • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* • *dip and azimuth of the hole* • *down hole length and interception depth* • *hole length.* • *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.*	• Details of the recently completed drill holes being reported are listed in Appendix 1. • The interception depths of the pegmatite intervals of greater than 0.5% lithium for the recently completed drill holes are given in Appendix 2. • All horizontal co-ordinates are MGA94 zone 50S grid datum. • Vertical regional level (RL) is assumed to be Australian height datum (AHD) level as the drill holes have an average RL of 445m whilst a local topographic peak at Mount Holland is 473m above sea level. • The drill holes location points were surveyed by hand held GPS initially. Within the industry it is not uncommon for collar locations to be surveyed in after the drilling has finished.
Data aggregation methods	• *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.* • *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.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated*	• Sample intervals selected from all other holes as listed in Appendix 1 – Drill Hole Details are based on ~1m diamond drill core (DD) interval lengths • DD drill holes are logged and generally sampled on ~1m intervals basis within logged geological boundaries • All drill holes being reported, Appendix 1, have had sample intervals selected from them by KDR personnel; on average over 1m intervals, based on return interval and/or geological logging • For assay results greater than (>) 0.5% Li_2O a weighted average result has been reported: ○ The assay results are weight averaged to the individual sample lengths over the combined interval. • No metal equivalent has been used. • No top cut has been applied.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *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').*	• The relationship between sample interval lengths to the pegmatite orientation and drill core orientation has not been fully noted. However, the inclination of the drill to the opposing dipping trend of the pegmatite implies that the drill sample length of 1 m is less than 1m vertical distance. • Sample intervals are restricted by geological contacts and changes where applicable. • Initial modelling indicates the drill holes intersect pegmatite at acute angles. • Mulitple pegamtites have been intercepted true thickness of these vary. These ranges are from 1m through to 65m intersections.
Diagrams	• *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.*	• Diagrams of the location of the drill holes have been provided as Figure 1-2.
Balanced reporting	• *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.*	• The current results reported constitute all known results for lithium mineralisation within pegmatite All recent completed drill holes are reported in Appendix 1. • Appendix 2 is a summary of the announced weighted average lithium mineralisation intersections from the drilling (refer Appendix 1) in this announcement, at the Bounty Exploration Target.
Other substantive exploration data	• *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.*	• The preliminary results being reported for drill holes alone are insufficient in numbers to enable only a preliminary geological interpretation of the pegmatite section drilled by these holes. • Further work is planned in 2018 to further evaluate the potential for Economic mineralisation at the Bounty Deposit.
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible*	• Any further sampling of spodumene pegmatite intersection from drill holes from within the Mount Holland Project (including Earl Grey Deposit) undertaken by KDR will be reported in accordance with reporting standards.

	extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	• Results of analyses of samples outstanding, pending or future will be reported in accordance to the 2012 JORC Code. • This work has been and is part of continued and ongoing work aimed at improving the geological knowledge, mineralogy and geochemistry of the mineralised pegmatite field at Mt Holland, this work will hopefully contribute to the development of the Earl Grey Deposit and planning of mining operations. • Continued project-wide geological review and database consolidation is expected to assist in locating further historically mapped pegmatites and or other pegmatites not previously identified.