

21 February 2018

ASX Announcement

Kidman Resources Limited
ABN 88 143 526 096

EXECUTIVE JV APPOINTMENTS, JV COMMITTEE COMPOSITION AND UPDATED EXECUTIVE AGREEMENT

Corporate Details:

ASX Code: KDR

Issued capital:

350.14M ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:

EDM Nominees (9.28%)

Directors:

Chairman:

John Pizzey

Managing Director & CEO:

Martin Donohue

Non-Executive Director:

Brad Evans
Aaron Colleran
David Southam

Chief Financial Officer (CFO):

Charlie McGill

Company Secretaries:

Justin Mouchacca
Melanie Leydin

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Kidman Resources Limited (**Kidman** or **the Company**) is pleased to report a range of senior management appointments within Western Australia Lithium Pty Ltd (WAL) the Company's joint venture vehicle with Sociedad Quimica y Minera de Chile (SQM).

Mark Fones, who was previously SQM Finance Vice President, has been appointed as CEO of WAL. Mark has significant experience in business administration and previously held the role of Finance and Development Director at SQM China and other roles within SQM with responsibility for business development and planning.

In addition, David English joins WAL as its Project Director, responsible for overseeing the development of the proposed lithium mine, concentrator and refinery in conjunction with the Company and SQM. David has a broad range of mining industry experience including senior management roles with Midwest Vanadium, BHP Nickelwest, Alcoa Australia and the Boddington Gold Mine. David holds a Bachelor of Engineering (Honours) and a Master in Leadership Management from Curtin University, WA.

Prior to joining WAL, David was the Project Manager with Independence Group for the development of the Nova Nickel project. Previous to the Nova Nickel appointment David was the Project Manager with Sandfire Resources for the development of the DeGrussa Copper Project.

These new appointments to the senior management of WAL follow the announcement on 31 January 2018 that Kidman had strengthened its senior management team with the appointments of a new Chief Financial Officer and a Group General Manager – Corporate.

Western Australia Lithium Pty Ltd; Management Committee

The Company and SQM have now formally established the management committee which will oversee the operations of WAL and the joint venture. The JV Management Committee will meet, on average, each month and will have four members – two from Kidman and two from SQM as follows:

- SQM- CEO - Patricio de Solminihac
- SQM- VP Development and Planning – Pablo Altimiras
- KDR- Managing Director & CEO – Martin Donohue
- KDR- General Manager Operations – Chris Williams

KDR Managing Director & CEO

The Company has entered into a new employment contract with its Managing Director and Chief Executive Officer, Martin Donohue. Under the terms of the new contract, Martin will have a fixed annual remuneration (FAR) of \$550,000 inclusive of superannuation and be eligible to participate in the company's Short-Term Incentive (STI) program and Long-Term Incentive (LTI) program. Under the LTI program Martin is eligible to receive an initial grant of three tranches of long term incentives in the form of performance rights, each of which will be based on 100% of the FAR divided by the 30-day VWAP Kidman shares at the Commencement Date (Rights). Grant of the Rights will be subject to shareholder approval in accordance with the Listing Rules and the Corporations Act.

Each tranche of the Rights is subject to the following vesting conditions which must both be satisfied to the satisfaction of the Board, or waived by the Board:

- a) Martin remains employed by Kidman for the duration of the Rights; and
- b) Achievement of the following share price hurdles:
 - Tranche 1 – At any time up to two years from the Commencement Date when the 60-day VWAP of the Company's share price is \$2.25 or more (Tranche 1 Vesting Date);
 - Tranche 2 – At any time up to three years from the Commencement Date when the 60-day VWAP of the Company's share price is \$2.75 or more (Tranche 2 Vesting Date); and
 - Tranche 3 – At any time up to four years from the Commencement Date when the 60-day VWAP of the Company's share price is \$3.25 or more (Tranche 3 Vesting Date).

The shares that are the subject of the Rights are unable to be sold within three years of the relevant Vesting Date unless agreed in writing by the Board in the event of termination of the employment agreement by the employer or upon a change in control of the Company as a result of a control transaction.

For media and investor relations information, please contact:

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KIDMAN BACKGROUND

Kidman Resources Limited (ASX: KDR) is focused on the discovery, development and sustainable long-term delivery of lithium to service a growing product demand. Kidman has a 50% interest in at least one Tier-1 globally-significant lithium discovery within the broader Mt Holland tenements, located in the Forrestania Greenstone Belt near Southern Cross in Western Australia.

The Mt Holland Project contains the world-class Earl Grey lithium deposit as well as the promising Bounty lithium prospect, with considerable potential across the Mt Holland tenements for additional discovery. Kidman's 50:50 Joint Venture partner in the Mt Holland lithium deposits and proposed project infrastructure is Sociedad Quimica y Minera de Chile (SQM), the world's largest lithium producer.

Within the Mt Holland Project, Kidman retains sole marketing rights to its 50% share of lithium production, providing optionality for refinery funding beyond the current-funded program to build an on-site lithium concentrator. The Mt Holland Project also contains a significant gold endowment, to which Kidman retains all rights.