



ASX RELEASE

SHAREHOLDER UPDATE

3 July 2019

Kidman Resources Limited (**Kidman** or the **Company**) (ASX: KDR) today is pleased to provide the following update.

Trading and Operations Update

In the Company's March 2019 Quarterly Cashflow Report (released to the ASX on 16 April 2019), Kidman noted an expected cash outflow of approximately \$11.3 million in the June 2019 quarter, and cash balance at the end of the quarter of \$15.8 million. Kidman now expects cash outflow of approximately \$1.4 million in the June 2019 quarter, and cash balance at the end of the quarter of approximately \$25.6 million, largely as result of a change in estimate and timing of tax payable.

Further details will be provided in the June 2019 Quarterly Cashflow Report.

Covalent Lithium, the joint venture company in which Kidman holds a 50% interest, continues to progress the Integrated Definitive Feasibility Study (**IDFS**) for the Mt Holland Lithium Project. It is anticipated that, on the basis of progress to date, Covalent Lithium will deliver a draft IDFS for review by the joint venture partners in July 2019 and, following the review and finalisation process set out in the Joint Venture Agreement, the IDFS will now be completed and approved by the joint venture partners in the final quarter of 2019 with a final investment decision expected in the first quarter of 2020.

Update on Scheme of Arrangement with Wesfarmers

Further to Kidman's announcement on 23 May 2019 regarding the Scheme Implementation Deed (**SID**) with Wesfarmers Limited (**Wesfarmers**), it is now anticipated that a Scheme Booklet will be sent to Kidman shareholders in early August, and that Kidman shareholders will meet to vote on the Scheme in early September 2019. If the transaction is approved by shareholders, then the Scheme is expected to be implemented in September 2019.

Following the announcement of the Commitment Deed between Sociedad Química y Minera De Chile S.A. (**SQM**) and Wesfarmers on 23 May 2019, Kidman requested Wesfarmers to clarify the operation of certain provisions contained in the Commitment Deed. Wesfarmers and SQM have advised Kidman that the terms relating to exclusivity in the Commitment Deed have been amended to align those provisions with the market standard exclusivity provisions between Kidman and Wesfarmers contained in clause 13 of the SID, a copy of which was attached to Kidman's ASX announcement dated 23 May 2019. The Deed of Commitment now clearly provides that SQM's agreement not to enter into discussions with any third party (**Third Party**) who has provided Kidman with a Competing Proposal (as defined in the SID) does not prevent SQM, if it wishes to do so, from entering into discussions, providing information or entering into an arrangement with that Third Party, where Kidman has notified SQM that it has formed the view that the Competing Proposal is, or may reasonably be expected to lead to, a Superior Proposal (as defined in the SID) and Kidman has otherwise complied with its obligations under clause 13 of the SID.



The Kidman Board repeats its recommendation that Kidman shareholders vote in favour of the proposed Scheme and each Director intends to vote their shares in favour of the proposed Scheme (in each case, in the absence of a superior proposal and subject to the Independent Expert concluding that the Scheme is in the best interests of shareholders). As at the date of this Announcement, the Kidman Board has not received any competing proposal from another party.

[For more information](#)

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ABOUT KIDMAN RESOURCES

Kidman Resources Limited (ASX:KDR) is developing the world class Mt Holland Lithium Project in a 50:50 joint venture called Covalent Lithium with Sociedad Química y Minera De Chile S.A., the world's largest lithium producer. The Mt Holland Lithium Project comprises a Mine & Concentrator and Refinery and will be a globally significant, low cost, integrated producer of battery-grade lithium hydroxide meeting increased demand from the electric vehicle market.