

31 October 2014

Drilling commences at Okanihova, Kaoko Project, Namibia

Diamond drilling has commenced at Okanihova copper target, Kaoko Project Namibia. The initial program will test Induced Polarisation (IP) anomalies identified at Okanihova SW1 target and Okanihova outcrop (see Figure 2).

As announced on 17 October 2014, the IP anomalies at Okanihova SW1 correlate well with remnant magnetism and copper-in-soil results from soil sampling.

The IP data at Okanihova outcrop has been further processed and compared with drill data obtained in boreholes KHD01-KHD04 (diamond drilling undertaken in late 2013) showing a moderate correlation. Accordingly, the chargeability shown in that survey is possibly mainly sulphide mineralisation.

If the IP results are found to correlate with copper mineralisation in the boreholes, the IP program may be extended further along the Okanihova lineament. As can be seen from Figure 2, approximately 12 km of strike along the Okanihova lineament expressed by the remnant magnetic anomaly remains to be tested.



Figure 1 - Diamond drill rig mobilised at Okanihova copper target (29 October 2014).



FAST FACTS

Capital Structure

Shares on Issue: 38.9 million

Market Cap @ 4c \$1.56 million

Cash on hand \$0.85 million

(30 September 2014)

Corporate Directory

Directors

Philip Werrett

Peter Pawlowitsch

Mike Leech

Managing Director

Brandon Munro

Company Secretary

Ian Hobson

Company Highlights

Mineral exploration for precious and base metals in Namibia.

Contact Details

Place of Business

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Website

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ASX Code: KNE

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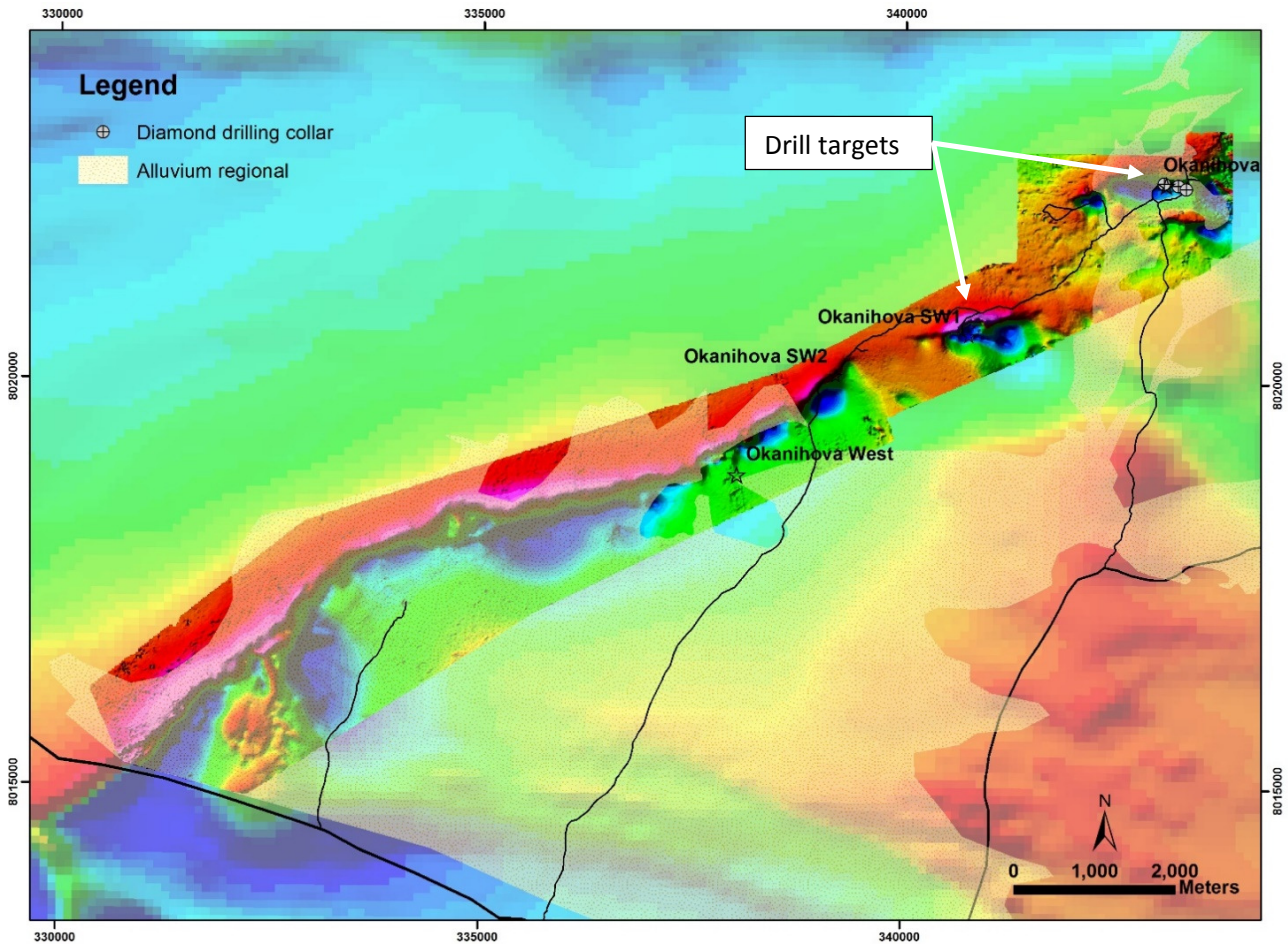


Figure 2 - Okanihova lineament (ground magnetics on airborne magnetics) showing locations of current drill targets

For further enquiries please contact:

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Competent Person Statement

The comments regarding the geology, prospectivity and exploration results, in this document, have been made by Simon Coxhell, (Member Australasian Institute of Mining and Metallurgy), who is a consultant of Kunene Resources Ltd. Mr Coxhell has sufficient experience, relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as Competent Persons as defined in the 2012 Edition of the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Coxhell consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

About Kunene Resources Limited

Kunene Resources Limited (ASX:KNE) is an emerging precious and base metals exploration company. Kunene Resources is focused on exploring its flagship Kaoko Project in Namibia. The project area has not been comprehensively explored in the past and there is potential for the discovery of new deposits.

Listed on Australian Securities Exchange, Kunene Resources is headquartered in Perth, Australia.

Kaoko Project highlights:

- ✓ 95% owned by Kunene Resources (5% owned by local partner, The Namibian Former Robben Island Political Prisoners Trust)
- ✓ seven exploration licences, total area of 3,478km²
- ✓ emerging minerals province with similar geology to the Central African Copperbelt
- ✓ prospective for copper and other base metals, gold and rare metals
- ✓ project entirely located on communal farmland (ie government owned) with good community support
- ✓ experienced and well regarded in-country management

Infrastructure ready for development

- ✓ Power through Project area from Ruacana hydro station
- ✓ Water: year round water supply from Kunene River
- ✓ Roads: Excellent roads connecting with rail/port
- ✓ no environmental sensitivities or other hurdles

About Namibia

- ✓ Socially and politically stable, good security
- ✓ excellent infrastructure (#1 in Africa: Fraser Institute)
- ✓ history of mining with community acceptance and skills
- ✓ strong rule of law, private property rights in constitution
- ✓ English official language, competent government.

