

4 projects to be drilled at Kaoko Project, Namibia



Drilling of 4 projects to commence in April 2015:

1. Okanihova (copper)
RC drilling of geophysical and geochemical targets along untested central and southern Okanihova lineament
2. DOF (stratabound copper-cobalt horizon)
Diamond drilling to test covered section of Dolomite Ore Formation (DOF), an analogue to DRC's Mine Series
3. NOTZ polymetallic horizon (Zn-Pb-Cu)
4. Ombazu geophysical/structural target near DOF

Geochem results and geophysical surveys

- Further geophysics completed at Okanihova
 - Large-scale survey extension of ground magnetics to the east and south-west
 - Trial EM to identify black shale targets
- Massive geochemical database for further target generation
 - Soil sampling program completed over core contiguous block of 5,000 km²
 - >42,200 soil geochem samples for analysis
 - Processing by First Quantum geochemists identified 3 large scale anomalies and several smaller anomalies for follow up
 - Mapping program ongoing over key anomalies

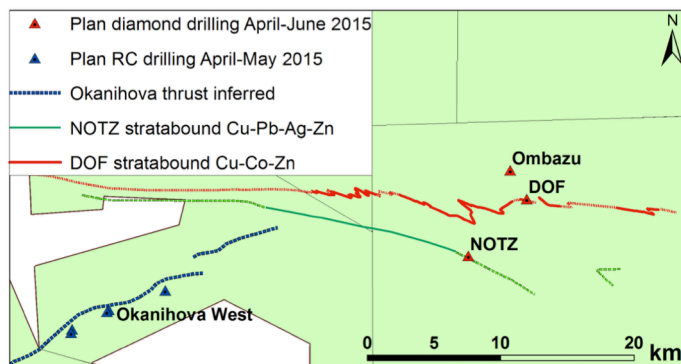


Figure 1: Overview of 4 projects to be drilled (green shows Kaoko licences)

FAST FACTS

Capital Structure

Shares on Issue: 38.9 million
Market Cap @4c \$1.56 million
Cash on hand \$0.62 million
(31 March 2015)

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

Level 1, 6 Thelma Street
West Perth 6005

Website

www.kuneneresources.com

ASX Code: KNE

ABN 36 155 396 893

Drilling to recommence at Okanihova

The next phase of drilling at the Okanihova Project will target geophysical anomalies along the untested 6 km long southern part of the Okanihova lineament, which is almost entirely covered with thick alluvial fans.

Drilling conducted in 2014 confirmed the association of wide chalcopyrite mineralisation with pyrrhotite (which gives a remanent magnetic signal) at the original target of Okanihova outcrop. Accordingly, the company extended the ground magnetic survey along the Okanihova lineament to identify additional targets of remanent magnetism. The combined ground magnetic survey of the central and southern lineament shows 3 large scale (>1km length) and several smaller anomalies of remanent magnetism (Figure 2). The recently completed EM survey identified large conductors which are interpreted as graphitic black shales. RC drilling will target areas of overlapping EM and mag anomalies. The initial program is for five holes (approximate locations on Figure 2), with precise locations and depth to be finalized shortly.

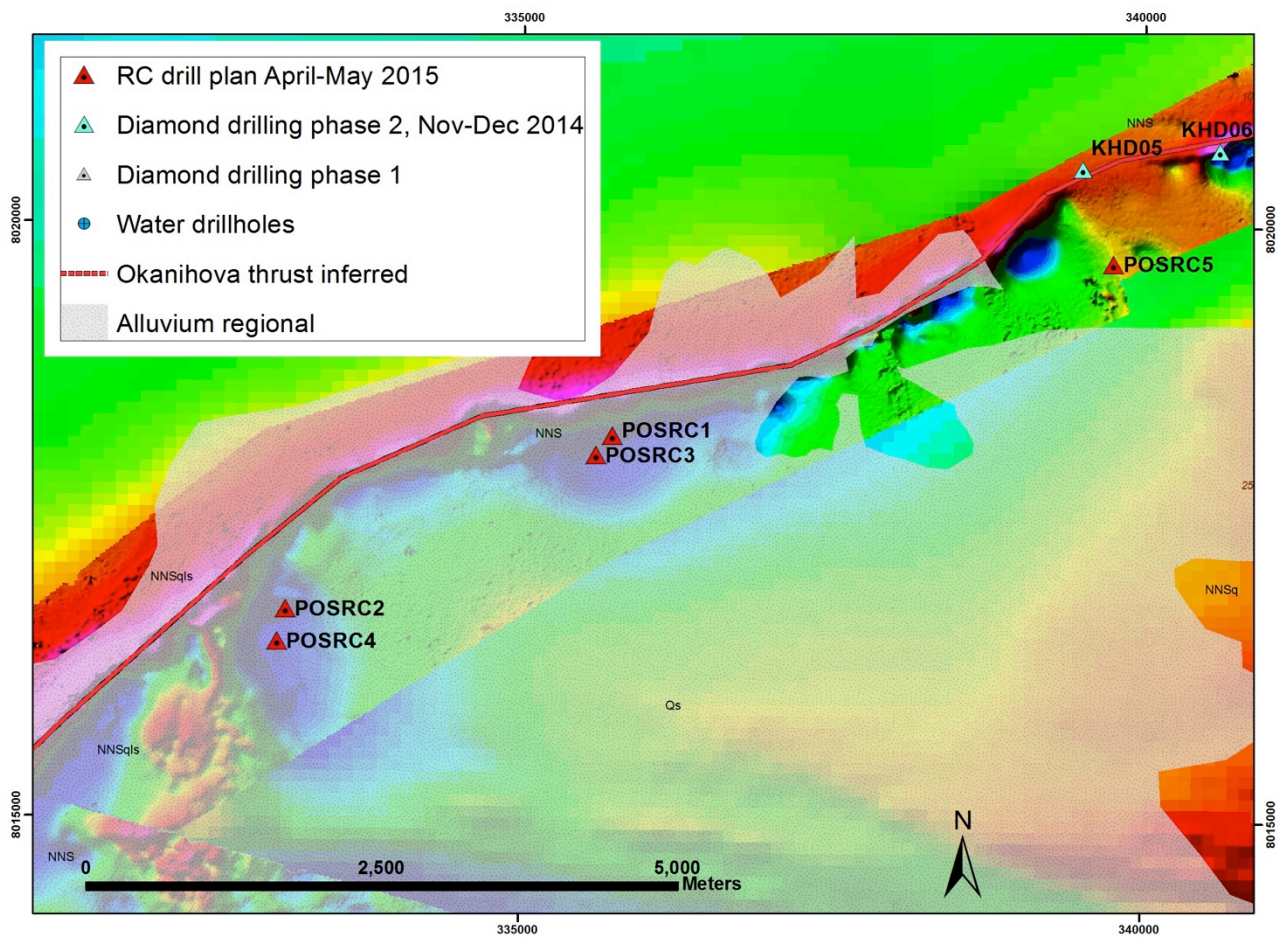


Figure 2: Planned RC drilling at Okanihova targets the large-scale remanent magnetic anomalies of the central and southern Okanihova lineament

Drilling at Dolomite Ore Formation (DOF)

Mapping of the DOF copper-cobalt horizon by a team of geologists from Kunene Resources and Colorado School of Mines revealed a strike length of the DOF of at least 30 km. However, large parts of the central DOF are covered by alluvium and calcrete. The Company's high resolution aeromagnetic survey shows large NW trending faults in this central area which might have focused mineralizing fluid flow.

A diamond hole will target the DOF horizon at about 100m depth, generating the first unweathered samples of the DOF copper-cobalt horizon. Core logging will be supervised by Prof Hitzman of Colorado School of Mines in May 2015.

Other diamond drilling planned for mid 2015

Nosib Ombombo Transition Zone (NOTZ)

Drilling of the NOTZ aims at two subparallel, potentially mineralised horizons (1) stratabound, carbonate-hosted Zn-Pb-Cu-barite mineralisation of the lowest carbonate horizon of the Ombombo Subgroup (MVT style), and (2) shale- and sandstone-hosted copper mineralisation of the uppermost Nosib Group. The initial program will be 1-2 holes, with location and depth finalised shortly. The MVT mineralisation was first identified by fieldwork in 2012. Mapping and soil sampling helped define its extent. An infill soil grid (200m x 100m), completed in March 2015, clearly delineates the strongly stratabound nature of the MVT-style sphalerite-galena-chalcocite-barite mineralisation over an extent of 22 km (Figure 3).

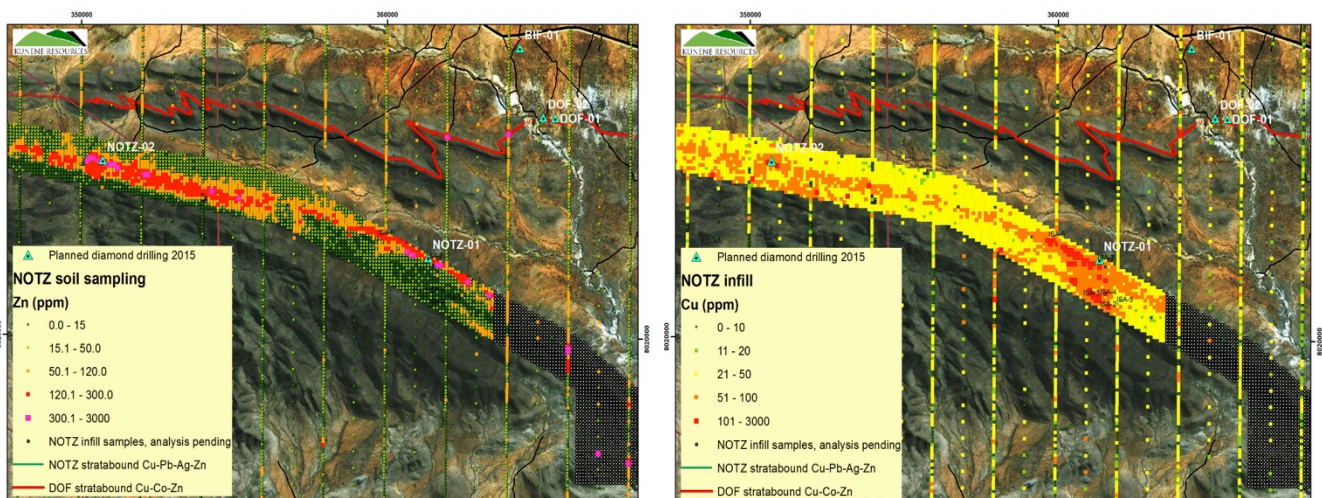


Figure 3: NOTZ-target: Large-scale stratabound Zn-anomaly (left) and Cu anomalies (right) and the location of the planned diamond hole NOTZ-01

Copper mineralisation in the sandstones and shales (red-bed style) stratigraphically below the MVT was identified by soil sampling. Poor outcrops of the potentially mineralised but recessive shales limited the use of mapping for identifying the nature and extend of the copper mineralisation. Locally occurring albitised arkosic sandstones show disseminated chalcopyrite mineralisation.

Ombazu

The Ombazu drill target is a 15 km long distinct magnetic anomaly located about 800m north of the copper-cobalt Dolomite Ore Formation. The target area is completely covered and is interpreted to either be a magnetitic banded iron formation of the lower Chuos formation (Grand Conglomerate) or pyrrhotite mineralization in the Chuos tillites, where faults might have acted as a fluid conduit mineralizing the Chuos tillites in a similar way to the Kamoia deposit in the DRC. One diamond hole is planned to test the nature of the anomaly, with follow up drilling if justified by results.

Further geophysics undertaken at Okanihova

The high-resolution ground magnetics program at the western part of the Okanihova lineament has been completed. This work has enabled a contiguous interpretation of the Okanihova lineament over a distance of 20 km (see Figure 4).

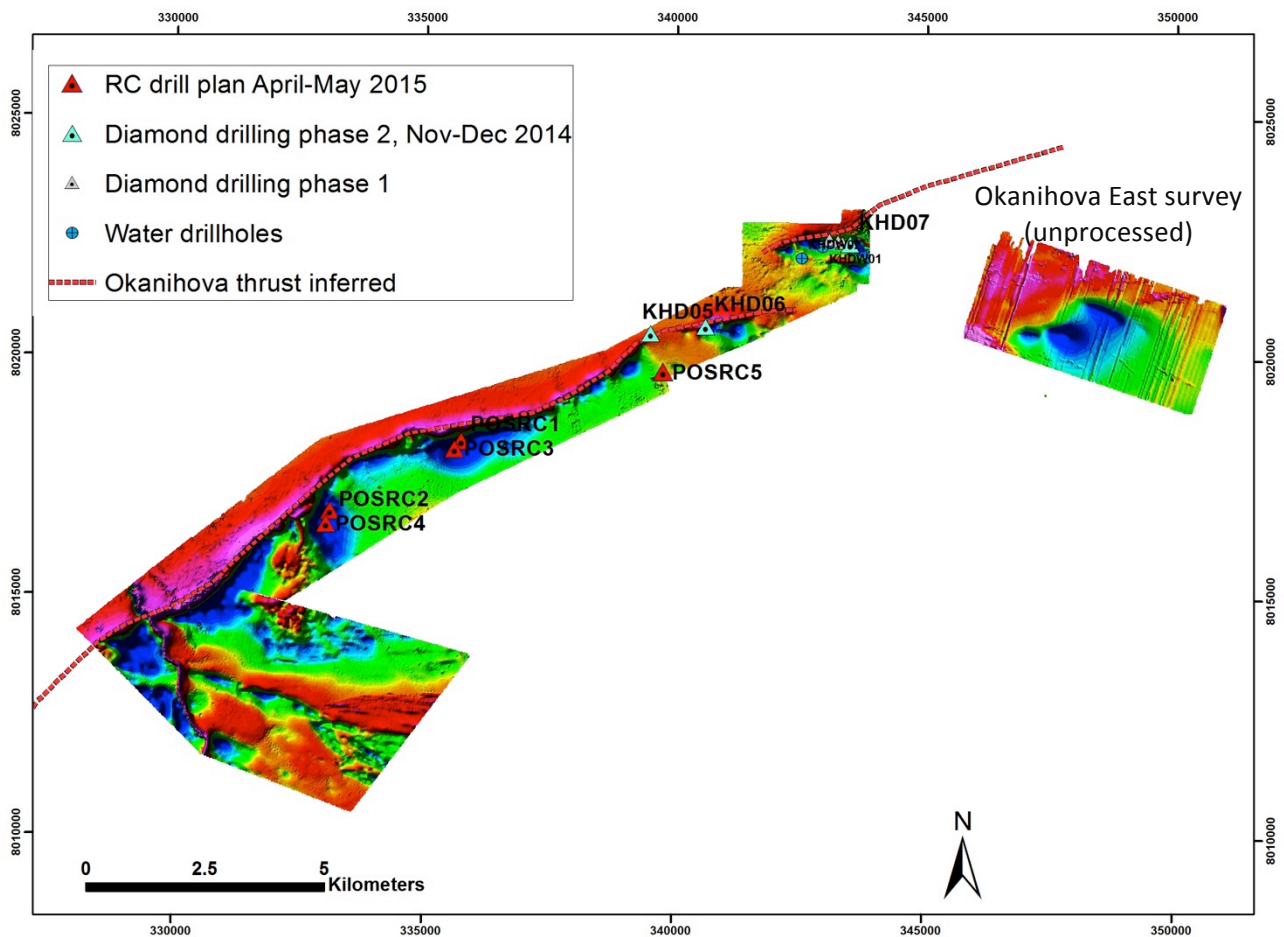


Figure 4: RTP of ground magnetic surveys completed at Okanihova: All blue areas represent anomalies of remanent magnetism and thus are potential targets

In addition, a ground magnetic survey was conducted 2 km to the east of the Okanihova outcrop. The survey has identified a 2 km x 3km remanent magnetic anomaly which coincides with copper in soil anomalies (see Figure 4). Construction of access roads has started to allow for subsequent exploration work in this isolated area.

A trial Electro-Magnetic (EM) survey has been completed over a 13 km portion of the western Okanihova lineament. The trial was designed to assess the viability of surface MaxMin EM as a tool to cheaply map the presence of covered black shales in the vicinity of the Okanihova lineament (Figure 5). The recessive black shale horizon does not outcrop and was first identified in the diamond hole KHD05 drilled at the end of 2014. This black shale horizon has the potential to provide a promising reductant horizon, and thus, geochemical trap for oxidized, copper containing fluids along the Okanihova lineament.

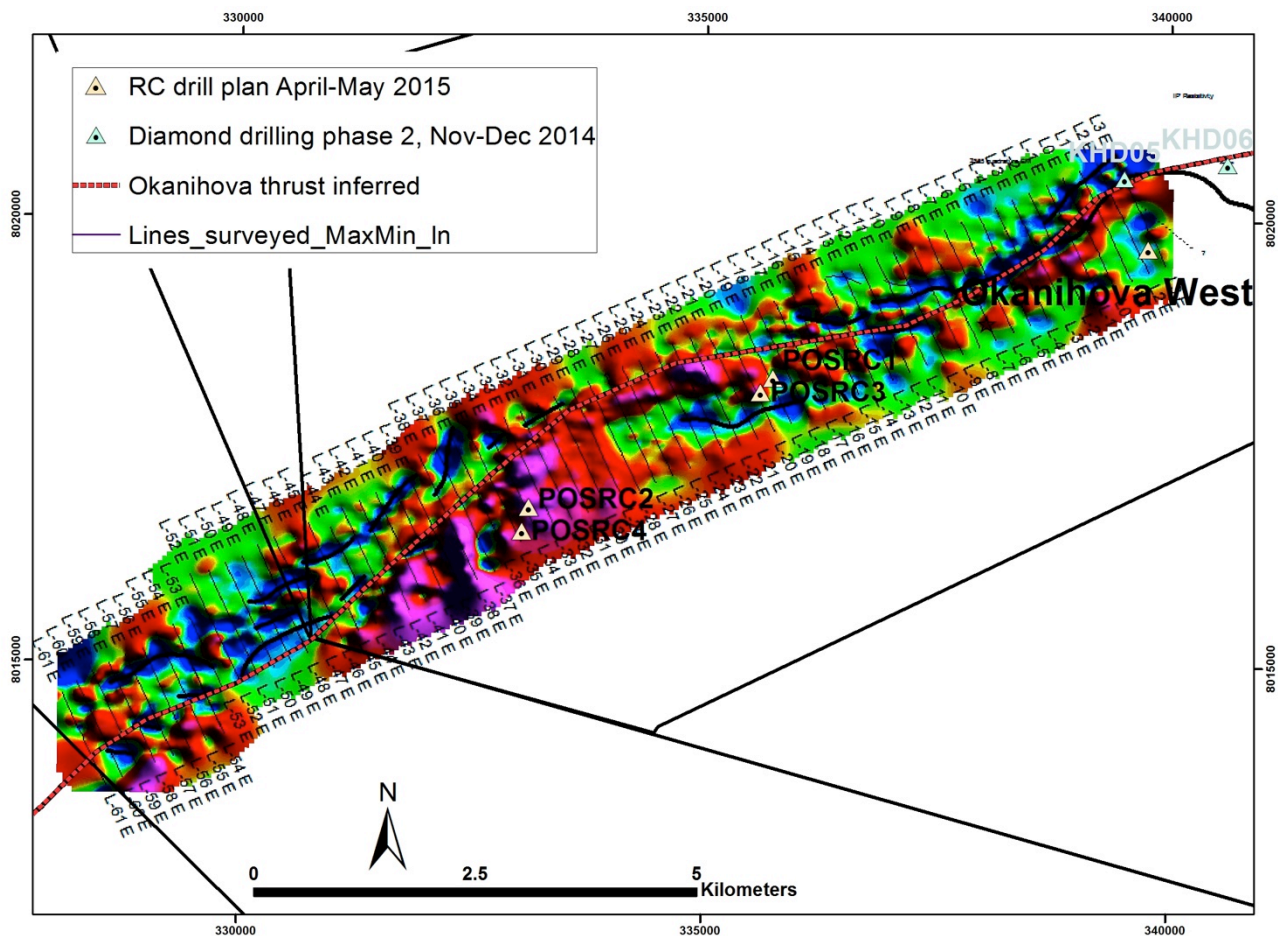


Figure 5: MaxMin results for the EM trial survey at Okanihova West: The elongated conductors (blue patches) are interpreted as carbonaceous black shales (black lines) representing a potential host rock for copper mineralisation. The 30m thick black shale unit was intersected in borehole KHD05, where it was intensively mineralised with sulphides (mainly pyrite and minor chalcopyrite and pyrrhotite).

Massive geochemical database for further target generation

The regional soil sampling program has been completed over the core Kaoko Project block of 8 licences held by Kunene Resources and a further 5 adjoining licences on which the company has permission to sample.

As at 1 April 2015, a total of 42,200 systematic soil samples have been taken covering an area of about 5,000 km². All samples were analysed by XRF at the company's Windhoek facility. 4,836 samples, representing a 1 km x 1.2 km isosceles grid, underwent 61 element ICP analysis at ALS.

The soil geochemical database identified three large scale copper anomalies at Okanihova, NOTZ and Ovingondo, where follow up work has included infill soil sampling and mapping in conjunction with First Quantum geologists.

In addition, a range of smaller anomalies were identified that would not meet First Quantum's size threshold for potential copper deposits or minerals of interest. For example, Figure 6 shows numerous zinc anomalies that justify further follow up work.

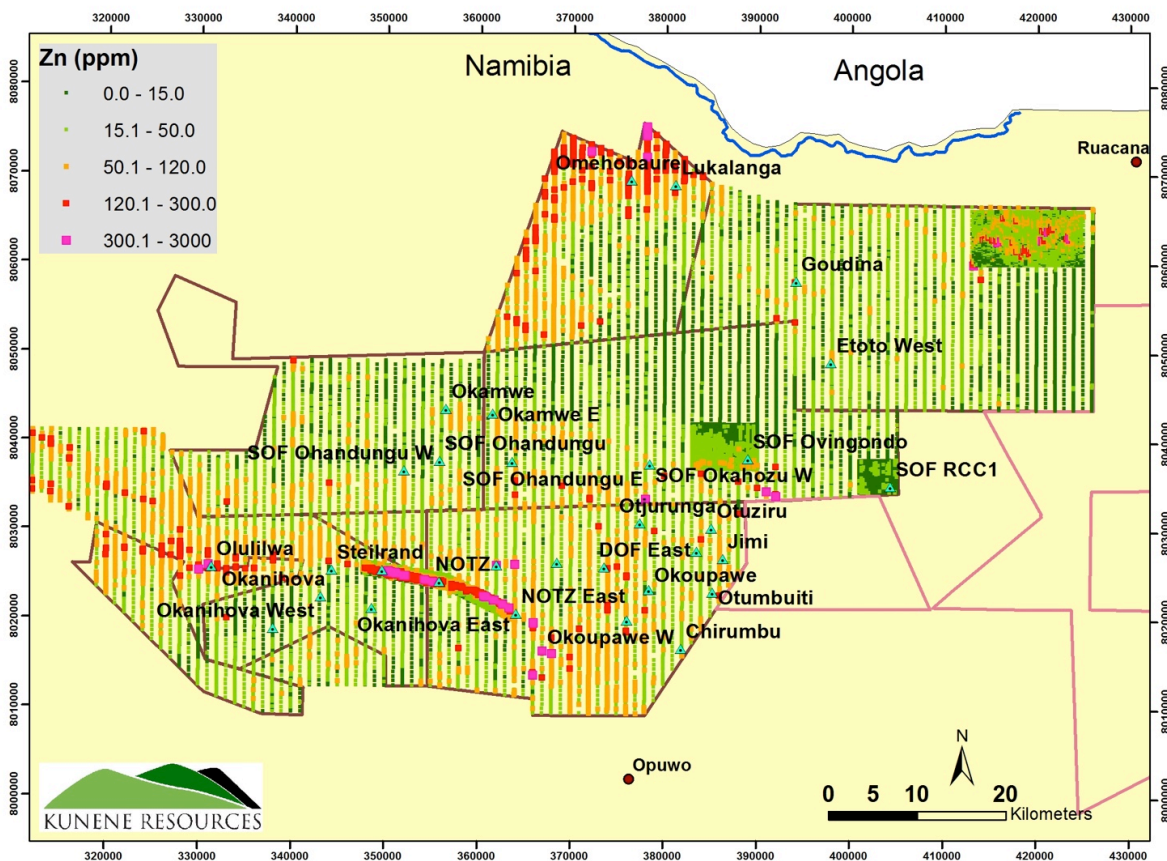


Figure 6: Zinc in soil (XRF). Note: Single dot anomalies might represent economically interesting mineralisations as the spacing of the N-S lines is 1 kilometer.

Figure 3 shows the results of an infill sampling campaign of 4000 samples taken on a 200m x 100m grid at NOTZ.

Figure 7 below shows the strong, 10km-wide barium anomaly at Steilrand. The closely associated kilometer-scale potassium-hematite alteration at Steilrand and potassium alteration at Okanihova East point to a large-scale hydrothermal system requiring follow up work.

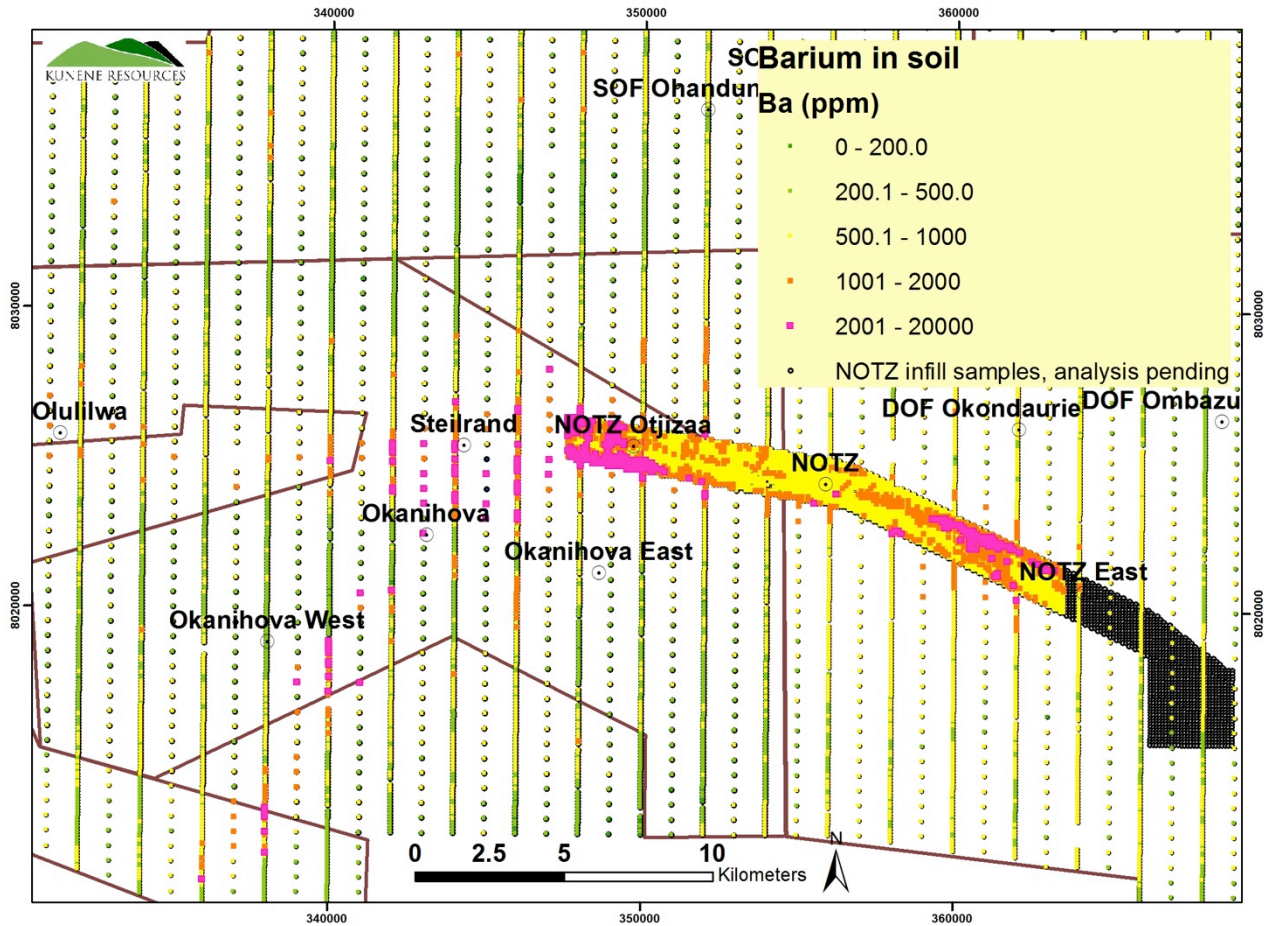


Figure 7: Barium in soil in the southwestern license block: Several kilometer-wide anomalies pointing to large-scale hydrothermal systems

For further enquiries please contact:

Peter Pawlowitsch +61 (0) 419 299 302

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

