

Increases footprint at Kaoko Project, Namibia



Highlights

- Kunene Resources to acquire Solarwind Investments (Pty) Ltd from ASX-listed Discovery Resources Ltd
 - Solarwind has 5 EPLs in Namibia
 - Consideration of A\$1.00 for all Solarwind shares
 - Transaction a win-win as Discovery pursues acquisition of non-resources business and must divest exploration assets
 - Subject to Discovery shareholder approval
- Increases Kaoko Project contiguous land-holding from 362,645 ha (3,626 km²) to ~465,000 ha (4,650 km²).
 - 3 Solarwind EPLs adjoin existing Kaoko Project
 - Geological database includes regional soil sampling and hyperspectral survey
- Kaoko EPLs to form part of Kaoko Project joint venture with First Quantum Minerals
 - Further work and expenditure to be conducted under the joint venture

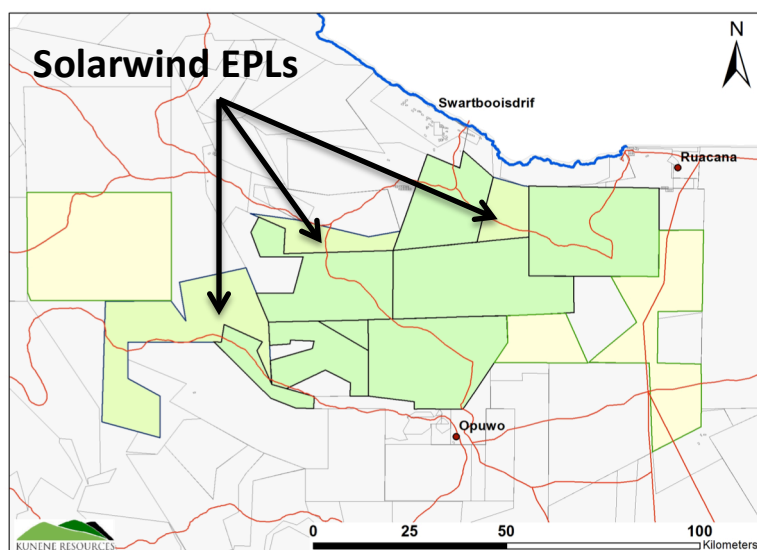


Figure 1 - Kaoko Project granted EPLs (green), EPL applications (yellow) and Solarwind EPLs (olive green)

FAST FACTS

Capital Structure

Shares on Issue: 38.9 million

Market Cap @4c \$1.56 million

Cash on hand \$0.55 million

(30 April 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

Kunene Resources increases footprint at Kaoko Project, Namibia

Kunene Resources is pleased to announce that it has entered into a Share Sale Agreement (**Agreement**) with ASX-listed Discovery Resources Limited (**Discovery**) to acquire Discovery's Namibian subsidiary Solarwind Investments (Pty) Ltd (**Solarwind**).

Solarwind is the holder of 5 exclusive prospecting licences (EPLs) in Namibia, including 3 EPLs which adjoin Kunene Resources' Kaoko Project. Figure 1 shows those EPLs in the context of the granted Kaoko Project EPLs and other applications that have been made by the company.

Under the Agreement, Discovery has agreed to sell 100% of its shareholding in Solarwind to a subsidiary of Kunene Resources (African Mining Capital 3 Pty Ltd) for a consideration of A\$1.00. The Agreement provides that Solarwind will be purchased free of any debt and that Discovery will be indemnified for any liabilities incurred in respect of Solarwind or its EPLs. Settlement of the Agreement is subject to Discovery obtaining all necessary shareholder approvals required by the Corporations Act and the ASX listing rules in relation to the sale of Solarwind. The Discovery general meeting is expected to take place in early July.

This acquisition is the culmination of a long period of co-operation between Discovery and Kunene Resources in respect of Solarwind's Kaoko EPLs. Under this co-operation Kunene Resources extended its own soil sampling campaigns onto the Solarwind EPLs, with results contributing to our regional geological understanding, and flew a hyperspectral survey over most of the Solarwind EPLs. Images of these regional hyperspectral and soil sampling programs have been previously announced on 31 January 2013 and 14 April 2015 respectively. Accordingly, there is a substantial package of geological data that Kunene Resources can immediately start to interpret and apply.

The 3 Solarwind EPLs shown on Figure 1 will increase Kunene Resources' contiguous land package from 362,645 hectares to ~465,000 hectares (not including new EPL applications). These licences will form part of the existing Kaoko Project joint venture with First Quantum Minerals.

Solarwind has two other EPLs in the centre and south of Namibia. The Company will conduct an evaluation of the prospects of those EPLs before deciding whether to relinquish, maintain or joint venture those licences.

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.

