

## ASX Release

Thursday, October 11th, 2012

### **Prospect D – Copper/Nickel Drill Targets Identified**

Kidman Resources Limited (“Kidman” or the “Company”) is pleased to advise it has received results from its recently completed detailed airborne magnetic survey flown over the companies Prospect D prospect and reviewed previous drilling and untested downhole electromagnetics (DHEM) targets from previous explorers.

#### **HIGHLIGHTS**

- **Best previous intercepts include;**
  - 16.5m @ 5.77% Cu, 0.21% Ni from surface**
  - 29.3m @ 3.43% Cu, 0.91% Ni from surface**
  - 32.9m @ 2.44% Cu, 0.41% Ni from surface**
  - 29.3m @ 3.32% Cu, 0.11% Ni (including 1.8m @ 23% Cu, 0.21% Ni)**
- **Strong DHEM conductors remain untested and provide Kidman with immediate drill targets**
- **Magnetic lineament identified parallel to copper-nickel mineralisation**
- **Drilling to commence upon Government approvals**

Executive Director Shane Mele said “We are extremely delighted to have seen such exciting results from the airborne magnetics and review of historical data on the Prospect D region. Not only is this prospect showing potential for a new high grade copper-nickel deposit, its close proximity to Home of Bullion would suggest that any mineable tonnes measured here will be a nice addition to those discovered at Home of Bullion.”

Prospect D was acquired as part of the Home of Bullion transaction in March 2012 and is located 25km’s northeast of Barrow Creek and 5kms east of the Stuart Highway. It also situated 30kms north of the Home of Bullion where the company is currently undertaking a diamond drill program.

Prospect D consists of copper-nickel mineralisation, the near surface part of which has been oxidized. Mineralisation was first identified in the early to mid 1970’s and was detected over a length of 2km’s, within which, the higher grade zone was traced for over 250m and remains largely untested at depth (see figure 1). The copper-nickel mineralization has been described as a massive sulphide band with lower grade disseminated sulphide mineralisation in the footwall gabbroic rocks. The copper-nickel mineralisation is also believed to be either structurally thickened by tight folds or by intersecting shears that plunge steeply towards the northwest. These zones will be the focus for future drill targeting.

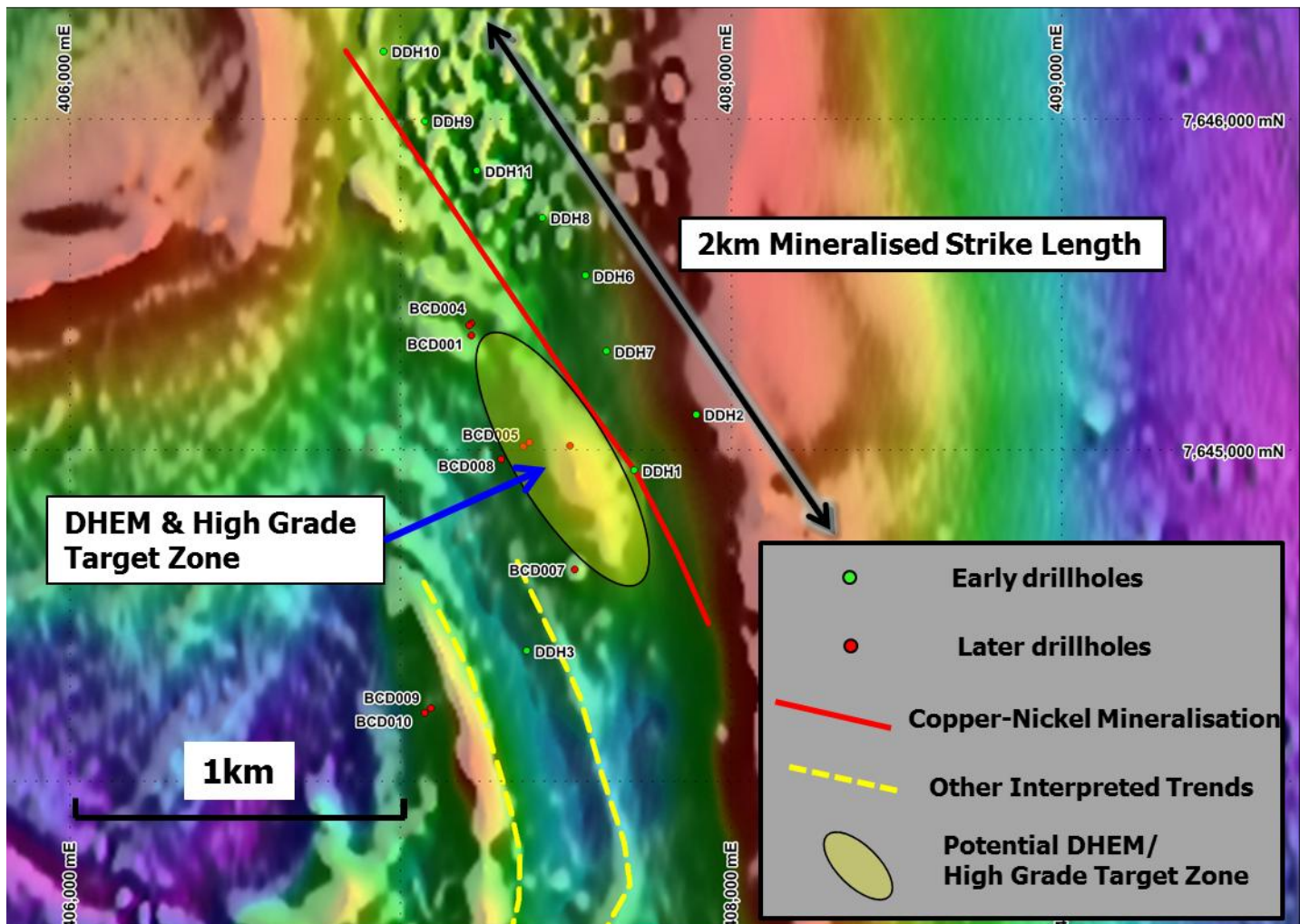
Early stage percussion drilling targeting near surface mineralization intersected high grade copper-nickel over a 60m strike length (results above) highlighting the potential for high grade shoots within the 2km mineralised envelope. This drilling was vertical and drilled sub-parallel to the mineralising structures. True widths are estimated to be closer to 5 to 10m. This area requires systematic drill testing down-plunge in the primary sulphide zone.

Follow-up deeper diamond drilling spaced 250m apart over the 2km strike length was conducted. Best intersections include;

DDH7	5.2m @ 1.18% Cu, 1.24% Ni from 83m
BCD001	6.8m @ 1.24% Cu, 0.27% Ni, 5.7g/t Ag from 133.8m (includes 0.35m @ 8.27% Cu, 1.22% Ni, 26.2g/t Ag)
BCD004	0.6m @ 2.27% Cu, 2.86% Ni, 8.5g/t Ag from 195.4m
BCD005	6.8m @ 1.01% Cu, 0.24% Ni, 0.63% Pb, 0.25% Zn, 7.3g/t Ag from 157.6m

DHEM surveys completed in 2006 identified strong offhole conductors from previous drilling that remain untested. These targets are located approximately 100m below the surface and to the south of drillholes BCD007 and BCD008.

**Figure 1.** Prospect D with recent detailed magnetics map and copper-nickel trends

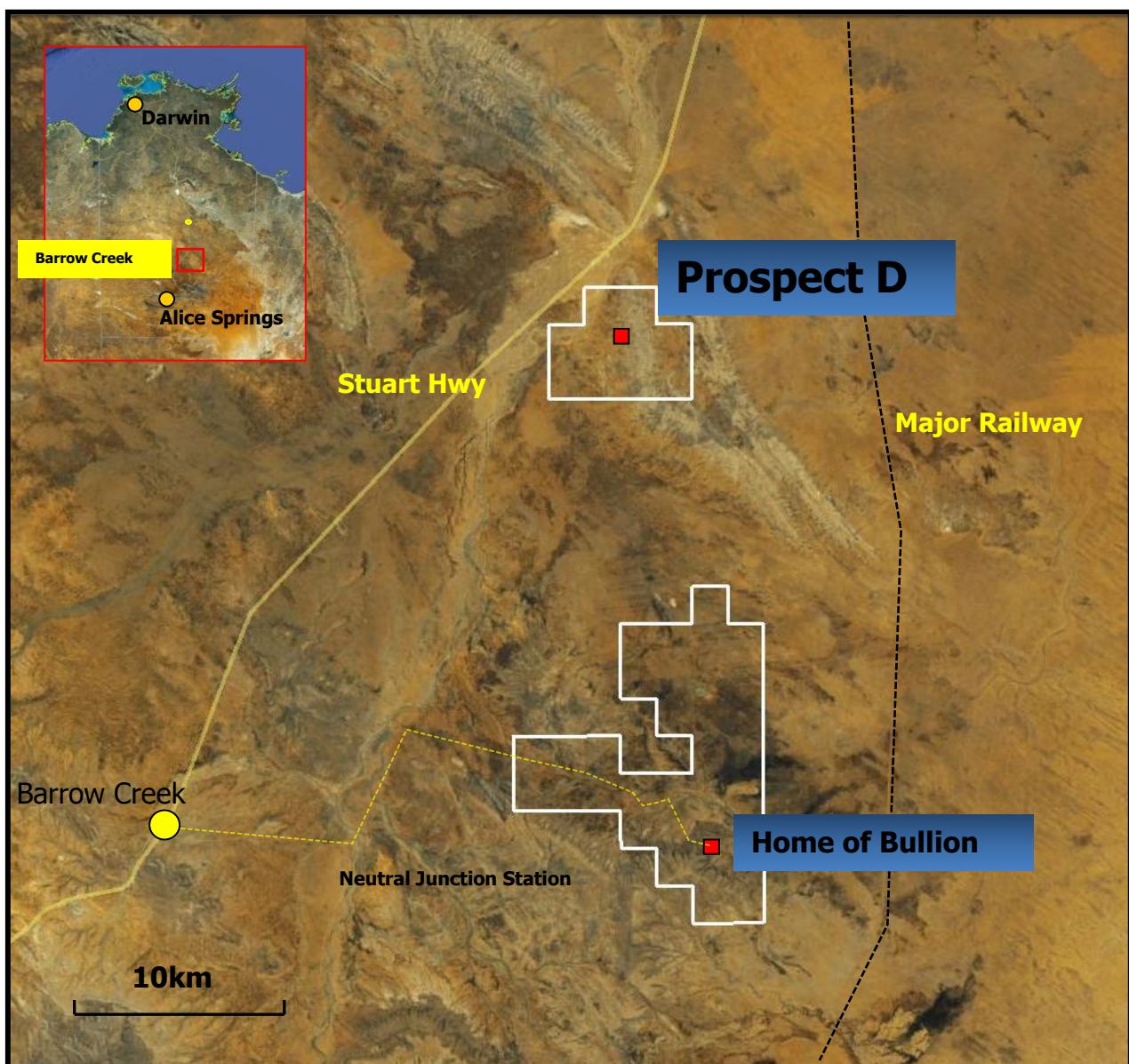




Further drilling is required to initially test the strongest DHEM conductors and the identified high grade zones down-plunge. Drilling data is currently being compiled into a digital database to view in 3D and assist in targeting future drillholes. All drillholes will be followed by DHEM surveys to identify further copper-nickel conductive zones along strike and down plunge.

A Mining Management Plan (MMP) will be submitted to the Department of Resources, NT seeking approvals for this drill program within the next few weeks.

**Figure 2.** Prospect D Location Map



### **Home of Bullion Update**

Drilling is continuing at the Home of Bullion Prospect with 5 out of the 7 drillholes now completed. The drillcore has been processed for the first 4 drillholes targeting the Main Lode and submitted to ALS laboratories for assaying. Drill results are expected within the next 2 weeks.

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**Kidman Resources Limited (ASX: KDR) is an Australian listed company focused on the exploration and development of its Base Metal and Rare Earths discoveries in New South Wales and the Northern Territory.**

**ASX Codes:**

**KDR** – Ordinary Shares

**KDRO** – Listed Options

**Market Cap:**

\$24.59M @ \$0.335 per share (10/10/2012)

**Projects:**

Home of Bullion (100%) –Copper / Silver/ Lead/ Zinc – Barrow Creek, NT

Crowl Creek (100%) – Copper/Silver/Gold /Lead/Zinc – Lachlan Fold Belt, Central NSW

Hale River (100%) – Rare Earths

– Alice Springs NT

**Investment Highlights:**

- Diamond drilling underway at advanced high grade copper project at Home of Bullion (NT) - assays pending
- Detailed magnetic survey identified 3.6km of potential strike length to HOB prospect
- Follow up drilling at Blind Calf, Anaconda, & Wilmatha (NSW) high grade copper prospects post Niton XRF results.

**Issued Capital:**

73,405,328,ordinary shares

25,598,752 listed options (20c Nov 2013)

**Directors:**

Garrick Higgins – Non Exec Chairman

Shane Mele – Executive Director

Andrew McIlwain- Non Exec Director

**Company Secretary:**

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*The information in this release that relates to exploration results and geological interpretation has been compiled by Mr Shane Mele BSc, (Hons) M.Econ.Geol., MAusIMM. Mr Mele is a Member of the Australian Institute of Mining and Metallurgy and he has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2004 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) for reporting the exploration results. Mr Mele consents to the inclusion in this report of the contained technical information in the form and context in which it appears.*