



November 22, 2016

ASX Release

Kidman Resources Limited
ABN 88 143 526 096

Sale of Burbanks Gold Mine

Corporate Details:

ASX Code: KDR

Issued capital:

315.9 ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:

Capri Holdings (10.7%)
Acorn Capital (5.8%)

Directors:

Non-Executive Chairman:

Peter Lester

Managing Director:

Martin Donohue

Non-Executive Director:

Brad Evans

Chief Financial Officer (CFO):

Jason Eveleigh

Company Secretaries:

Justin Mouchacca
Melanie Leydin

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Kidman Resources Limited (ASX: KDR) ("Kidman" or the "Company") advises that it has signed a binding Heads of Agreement ("Agreement") to sell its Burbanks gold mine in WA to Resources & Energy Group Limited (ASX: REZ) for A\$4.5 million.

Kidman placed the Burbanks mine on care and maintenance in August this year following expressions of interest to acquire the property from multiple parties, and to focus its resources on its Mt Holland Gold and Lithium Projects near Southern Cross in WA.

Under the terms of the Agreement, the consideration to be paid to Kidman is as follows:

- a) A\$2.5 million by way of a convertible note on the following key terms:
 - Term: 3 years
 - Coupon: 5%
 - Conversion: 20 cents
 - REZ shall have the right to repay the convertible note in full within 12 months of completion
- b) Cash payments of A\$2.0 million made in the following instalments:
 - Non-refundable payment of \$100,000 upon execution of a Formal Agreement;
 - \$400,000 upon completion;
 - Three equal 6 monthly payments of \$500,000 each, commencing 6 months following completion.

The sale and purchase of the Burbanks Project is subject and conditional upon satisfaction of the following conditions precedent:

- (a) Completion of due diligence to the sole satisfaction of REZ within 21 days as from the date of the Agreement;
- (b) The parties entering into a Formal Agreement to give effect to the transaction;
- (c) The parties obtaining any regulatory or shareholders approval, third party consents or waivers necessary to give effect to the transaction, and
- (d) REZ obtaining shareholder approval for the transaction or any element of the transaction

The Company will keep shareholders informed as the transaction progresses.

Kidman Background

Kidman is a diversified resource company currently in production at the Burbanks Gold Mine near Coolgardie in WA. Production commenced in the September quarter of 2015.

Kidman also owns the Mt Holland gold field near Southern Cross in WA (see ASX Announcement 18th December for further details of the project). The company intends to revise the existing gold resource at Mt Holland with a significant RC and Diamond drilling program, followed by an update to the feasibility study undertaken by previous operators. The company is now also planning a drilling program to further test the highly prospective Lithium targets within the Mt Holland tenement package and has entered into an MOU to potentially process Lithium ores at the Lake Johnston 1.5Mtpa concentrator owned by Poseidon Nickel.

Kidman also owns advanced exploration projects in the Northern Territory (Home of Bullion – Cu, Au, Pb, Zn, Ag/Prospect D - Ni, Cu) and New South Wales.

In New South Wales the company has the Crowl Creek Project which is host to numerous projects such as Murrays (Au) Blind Calf (Cu, Au) and Three Peaks (Cu, Pb, Ag).

The Company also owns the Brown's Reef project in the southern part of the Cobar Basin (Zn, Pb, Ag, and Cu)

For further information on the Company's portfolio of projects please refer to the website at: www.kidmanresources.com.au

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