

IP trial completed at Okanihova, Kaoko Project, Namibia



Highlights:

- Induced Polarisation (IP) geophysical survey conducted at Okanihova SW copper target in Kaoko Project, Namibia
 - Initial trial over Okanihova SW1 sandstone-hosted copper target identified strong and distinct chargeability anomalies
 - Correlation with remanent magnetic anomaly identified from ground magnetic survey
 - Very good correlation with copper in soil anomalies
 - Drill targets generated for testing in December quarter
- Trial IP survey extended to Okanihova outcrop
 - IP test survey limited to 5 lines show conductivity associated with drilled mineralization
 - Strong anomaly to west of outcrop, not drill tested
 - Drilling in later 2014/early 2015 to test anomalies

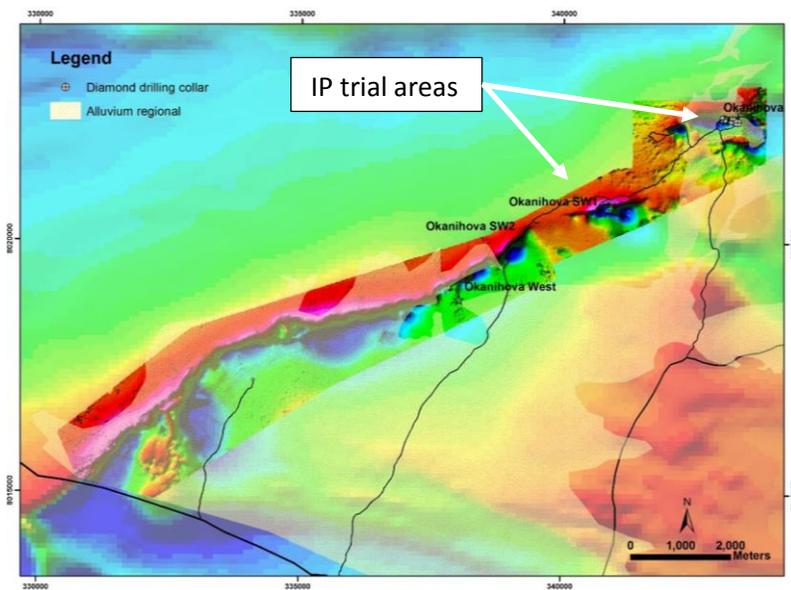


Figure 1 - Okanihova lineament (ground magnetics on airborne magnetics) showing locations of IP surveys

FAST FACTS

Capital Structure

Shares on Issue: 38.9 million
Market Cap @ 4c \$1.56 million
Cash on hand \$0.81 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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West Perth 6005

Website

www.kuneneresources.com

ASX Code: KNE

ABN 36 155 396 893

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On 3 September 2014 the Company announced a ground based IP (induced polarization) survey would be trialed over selected areas of the Okanihova lineament to determine whether IP is a useful tool to predict sandstone-hosted disseminated copper sulphide mineralization in target Okanihova SW1.

Trial at Okanihova SW1: sandstone-hosted copper target

The trial was completed in September with a total IP survey of 21 line kilometres over the sandstone-hosted Cu-target at Okanihova SW1. Processed results show strong and clear chargeability anomalies correlating with surface Cu in soil anomalies (see Figures 2a and 2b). The chargeable features dip to the south and can be followed from near surface down to the survey depth (of about 250m).

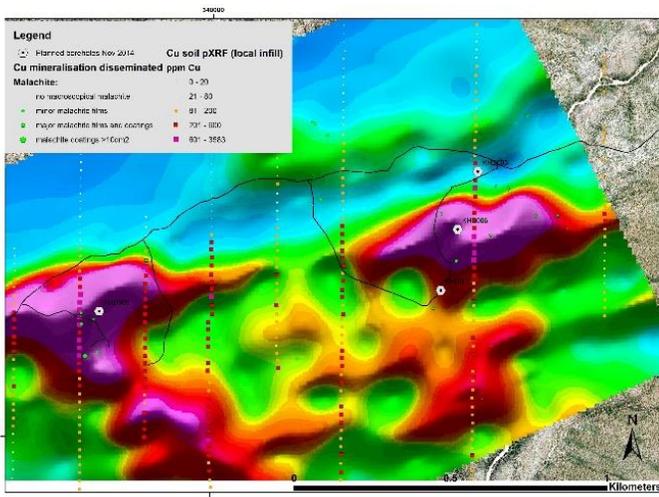


Figure 2a - Okanihova SW1 sandstone-hosted target: chargeability 950m depth slice (approx. 50m below surface)

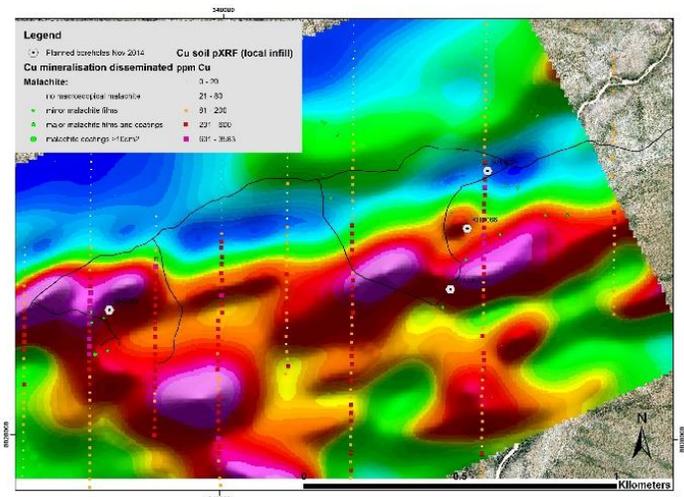


Figure 2b - Okanihova SW1 sandstone-hosted target: chargeability 850m depth slice (approx. 150m below surface)

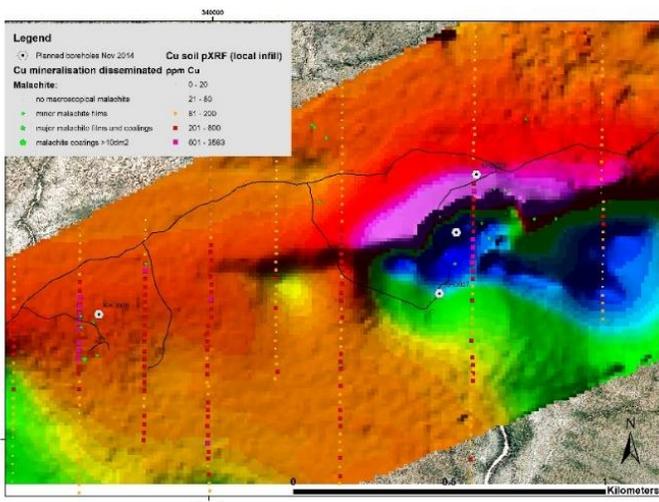


Figure 3a - Okanihova SW1 sandstone-hosted target: ground magnetics (rtp) showing Cu in soil sample results

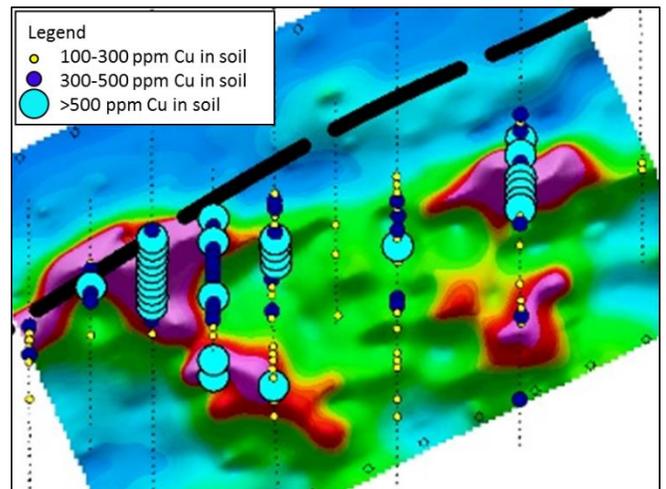


Figure 3b - Okanihova SW1 sandstone-hosted target: correlation with soil sampling results (Cu in soil) showing 950m depth slice

Figure 3a shows the remanent magnetic anomaly that defines the Okanihova SW target (on identical area to Figures 2a and 2b). This shows that the IP anomalies correlate with the remanent magnetic features, defining drill targets. Figure 3b shows a strong correlation with soil sampling (copper in soil) results.

Trial at Okanihova outcrop

Due to the results from the initial IP survey at Okanihova SW1 and the clarity of the resulting anomalies, a further test was conducted over the area of the Okanihova outcrop (see Figure 4, which shows the location of the IP lines on ground magnetic data). The second trial was to test the chargeability of known shale-hosted copper sulphide vein mineralization identified in boreholes KHD01-04 and KHDW01. The chargeability at this location showed a weaker correlation with the known mineralization, which was typically at grades of 0.1%-0.3% copper.

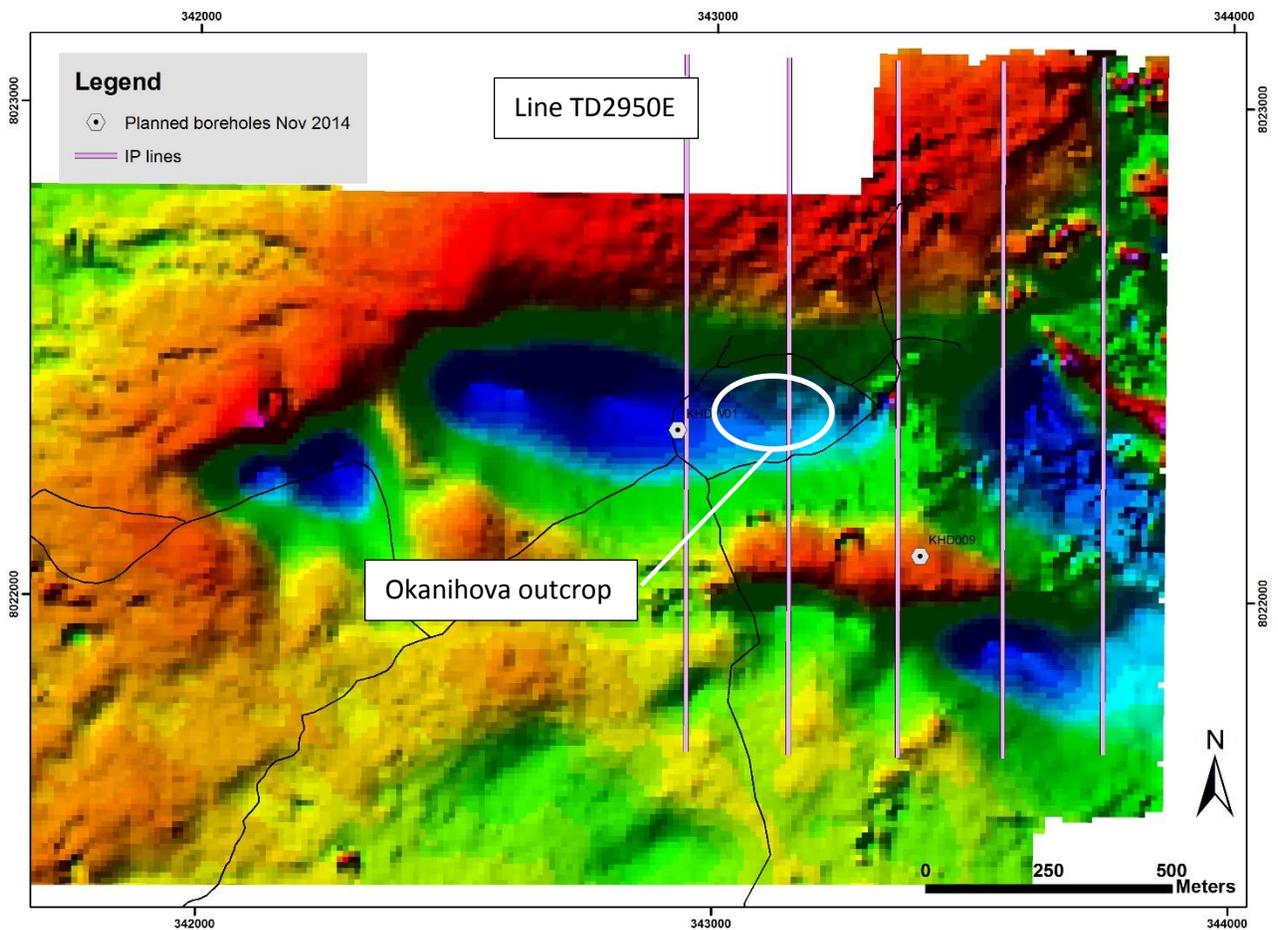


Figure 4 - Okanihova outcrop showing locations of IP survey lines on ground magnetic image (rtp)

However, strong conductive anomalies were identified directly to the west and south of the Okanihova outcrop in an area that has not been drill tested. Figure 5 shows Line TD2950E (as shown on Figure 4) which shows an anomaly, in a position that correlates with the remanent magnetic anomaly seen on Figure 4.

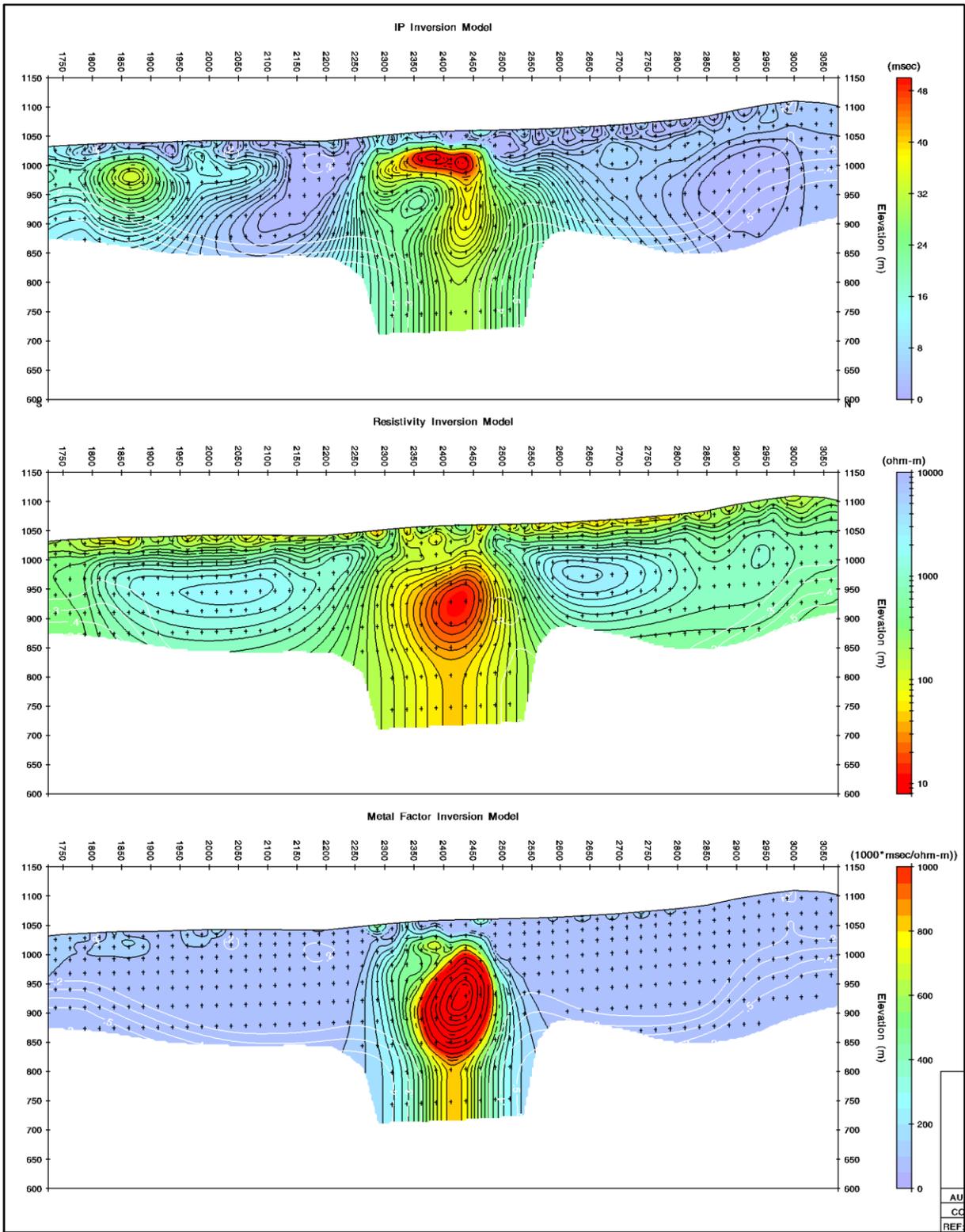


Figure 5 – IP line TD2950E to the direct west of Okanihova outcrop showing a strong and distinct anomaly from approx. 50m below surface

Next steps: drill testing

Drill testing of the Okanihova SW target will commence during the December Quarter 2014. If the IP results are found to correlate with mineralisation in the boreholes, the IP program will be extended further along the Okanihova lineament. As can be seen from Figure 1, approximately 12 km of strike along the Okanihova lineament expressed by the remanent magnetic anomaly remains to be tested.

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.

