

30th October 2015

ASX Release

Kidman Resources Limited
ABN 88 143 526 096

Corporate Details:

ASX Code: KDR

Issued capital:

132.3M ordinary shares

Substantial Shareholders:

Capri 13.2m (9.98%)

Holdex Nominees 11.3m (8.5%)

Directors:

Non-Executive Chairman:

Garrick Higgins

Managing Director:

Martin Donohue

Non-Executive Director:

Brad Evans

Chief Operating Officer (COO):

Tony Davis

Chief Financial Officer (CFO):

Melanie Leydin

Company Secretaries:

Melanie Leydin

Justin Mouchacca

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Quarterly Report - September 2015

First gold poured at Burbanks

Highlights:

- Maiden gold pour from the Burbanks Gold mine
- Gold production for the last two weeks of September Quarter of 1341 ounces of gold
- Gold sales of 1,341 ounces of gold at average sale price of AUD \$1613 per ounce for first revenue of A\$2.16 million
- 17,307 tonnes of ore milled comprising approximately 10,000 tonnes of low grade development and historic back fill at 1.5 g/t and 7,307 tonnes of stoping ore at 4.03 g/t with a 94% recovery
- Commenced mining Xmas open pit Probable Ore Reserve of 4,552oz at 4.32 g/t for milling in December Quarter.¹
 - Initial Mineral Resource of 99,000oz at 5.6 g/t gold reported in accordance with JORC Code (2012) for Burbanks along with an exploration target of a potential additional 625-650,000 tonnes at 4-6 g/t gold estimated 80,000- 120,000oz.²
- Completed 3,000m RC drilling program with results outside of the current Mineral Resource which include:³
 - 9m @ 7.89 g/t from 86m in CPRC131 including
 - 3m @ 13.93 g/t from 86m
 - 2m @ 12.74 g/t from 93m
 - 3m @ 6.41 g/t from 63m in CPRC116
 - 2m @ 9.27 g/t from 84m in CPRC115 &
 - 5m @ 4.87 g/t from 71m
- Agreement reached to lease Burbanks 180,000 tpa mill
- Commenced approx. 7,500m Underground diamond drilling

¹ Refer ASX announcement dated 16th and 17th of September 2015

² Refer ASX announcement dated 25th August 2015

³ Refer ASX announcement dated 27th August 2015

Burbank's Activities

Operations

During the September quarter the company completed its first gold pour after the commencement of milling in mid-September. A total of 17,307 tonnes of ore was milled over the last two weeks of the quarter which comprised around 10,000 tonnes of low grade development ore and historic backfill from around the 1295 and 1270 levels of the Birthday Gift underground which averaged 1.5 g/t. A further 7,307 tonnes of stoping ore also from the 1270 and 1295 levels at 4.03 g/t was milled. Recovery was 94% which resulted in 1340 ounces of gold being produced late in the quarter which was subsequently sold for an average of A\$1613 /oz. generating revenue of \$A\$2.16 million.

Kidman Resources Limited Quarterly Production				
	Units	Jun Qtr. FY15	Sep Qtr. FY16	YTD FY16
Ore Mined	t	Nil	17,307	17307
Ore Mined Grade - Gold	g/t	N/A	2.57	2.57
Ore Processed	t	Nil	17307	17307
Ore Processed Grade - Gold	g/t	Nil	2.57	2.57
Recovery - Gold		N/A	93.8%	93.8%
Gold Production	oz.	Nil	1341	1341
Gold Sold	oz.	Nil	1341	1341

Kidman also received planning approval for open pit production from the Christmas Pit during the quarter and mining commenced immediately. The open pit will supplement the underground production and will provide additional mill feed during the December quarter.

Based on the open pit optimisation study Kidman expects to produce 4552oz at 4.32 g/t from the starter open pit at Burbanks during the December quarter. Approximately 80% of these ounces are Probable Ore Reserves with the balance in the Inferred category. The inferred component has less certainty that the production target itself will be realised. C1 costs are forecast to be A\$798/oz. and all-in sustaining costs are forecast to be A\$875/oz.

During the Quarter Kidman also entered into an agreement with Ramelius Resources to lease and operate the Burbanks Mill. The exclusive use of the Burbanks Mill will provide Kidman with the opportunity to cut milling costs moving forward. The mill is located immediately adjacent to the Christmas open pit at Burbank's (see figure 1.0 below).

The mill was refurbished by Ramelius in 2007 to process ore from their Wattle Dam project. It has been on care and maintenance since Wattle Dam was closed in December last year.

The mill is a conventional carbon in leach circuit with crusher, ball mill, gravity circuit and leach tanks. The mill has the capacity to treat up to 180,000 tonnes of material per annum.

Under the deal, Kidman has an initial one year lease with an option to extend by mutual agreement. Kidman will pay Ramelius \$5 per dry metric tonne of ore processed and \$1 per tonne of capacity utilised in the TSF.



Figure 1.0 Burbanks Mine Site Layout



Image 1.0 Burbanks Mill

Exploration

During the quarter Kidman released an initial Mineral Resource of 99,000oz at 5.6 gpt reported in accordance with the JORC Code 2012 for Burbanks. Around 80% of this Mineral Resource is contained in the Birthday Gift underground mine with rest in associated Christmas open pit. When Kidman acquired its interest in Burbanks during the June Quarter there was no resource at Burbanks. Drilling has remained ongoing since the time of acquisition and continues to date.

Mineral Resource Estimate for the Burbanks Deposit - as of the end of July 2015							
Area	Cut-Off	Indicated			Inferred		
		Tonnes	Grade	Ounces	Tonnes	Grade	Ounces
Open Pit Resource	1.0	30,000	4.5	4,500	10,000	4.7	1,500
Underground Resource	2.5	185,000	5.8	34,500	325,000	5.6	58,500
Total Resource	1.0 / 2.5	215,000	5.6	39,000	335,000	5.5	60,000

The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Table 1: Mineral Resource Inventory for Burbanks Underground and Open Pit Resource

Tonnage-Grade Curve			
Cut-Off	Tonnes	Grade	Ounces
0.5	1,316,940	3.20	135,490
1.0	1,162,977	3.52	131,615
1.5	911,671	4.15	121,640
2.0	690,736	4.91	109,040
2.5	533,841	5.70	97,831
3.0	424,024	6.47	88,204
3.5	336,997	7.31	79,202
4.0	261,865	8.33	70,132
4.5	217,105	9.17	64,007
5.0	182,689	10.01	58,795

Table 2: Grade Tonnage Curve indicating High grade potential for the deposit

Kidman also estimated an Exploration Target of 80,000-120,000oz (625-650,000 tonnes at 4-6g/t gold) during the September Quarter. The potential quantity and grade of the Exploration Target is conceptual in nature and at this stage there is insufficient data to include this target within the defined Mineral Resource. It is uncertain if further exploration will result in the determination of an addition to the Mineral Resource of Burbanks.

The Exploration Target has integrated the newly interpreted structural model that involved a mapping campaign within the Birthday Gift Underground Operations as well as a review of the production figures and exploration activities historically completed in the Burbanks Mining centre. The newly established mineralisation model has shown that multiple lodes at the Burbanks Mine are yet to be fully delineated and with a methodical drill programme further ounce additions may be established.

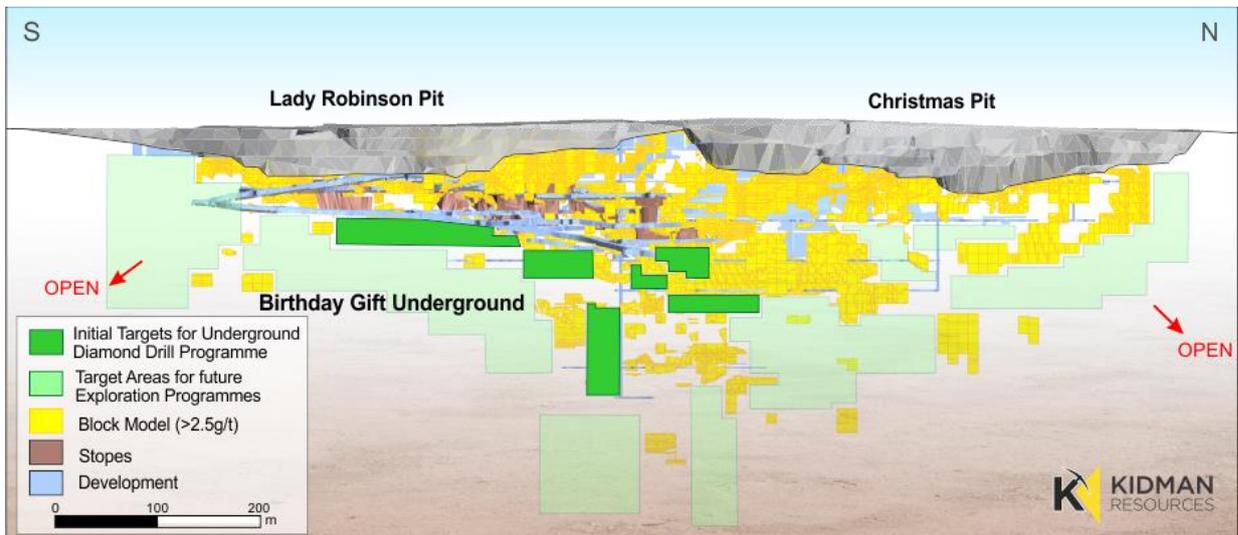


Figure 2: 99,000oz. Resource and UG Diamond Drilling targets

Subsequent to the release of the initial 99,000oz Mineral Resource the company also completed a further 3000m of RC drilling which returned a host of further high grade intersections outside of the initial Mineral resource. The intersections were located near existing development on the 1280 and 1300 levels where the Dahmu lode was targeted and included:

- **9m @ 7.89 g/t Au from 86m in CPRC131 including**
 - **3m @ 13.93 g/t Au from 86m**
 - **2m @ 12.74 g/t Au from 93m**
- **3m @ 6.41 g/t Au from 63m in CPRC116**
- **2m @ 5.17 g/t Au from 61m in CPRC115 &**
 - **5m @ 4.87 g/t Au from 71m &**
 - **2m @ 9.27 g/t Au from 84m**

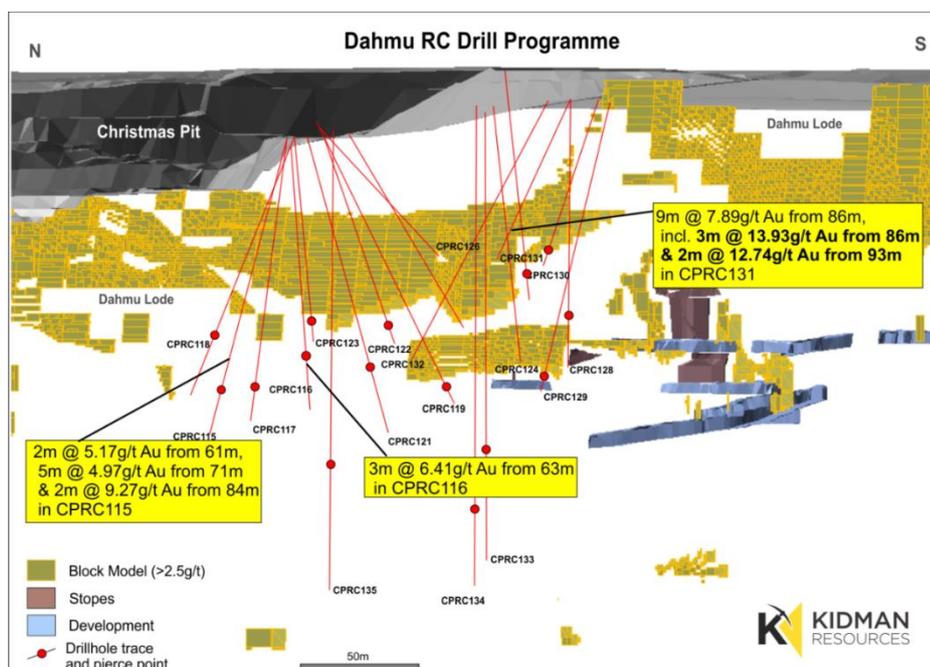


Figure 3.0 RC drilling section targeting Dahmu lode

Upon completion of this surface RC drilling the drilling switched to a planned 7,500m underground diamond drilling program which remains ongoing.

The results of these two drilling programs will be used undertake a review of the Resource estimate later this calendar year.

Kidman Tenement holding summary

Below is a listing of the tenements held by Kidman Resources Limited as at 30 September 2015:

Mining Tenement	Location	Beneficial Percentage held	Interest acquired/farm-in during the quarter	Interest disposed/farm-out during the quarter
EL 23186 – Home of Bullion	NT, Australia	100%	-	-
EL 7537 – Blind Calf	NSW, Australia	100%	-	-
EL 7538 – Wilmatha	NSW, Australia	100%	-	-
EL 7539 – Belmore	NSW, Australia	100%	-	-
EL 7540 – Jumble Plains	NSW, Australia	100%	-	-
EL 7523 – Kiacatoo	NSW, Australia	100%	-	-
EL 7820 – Melrose	NSW, Australia	100%	-	-
EL 7821 – Lockerbie	NSW, Australia	100%	-	-
EL 4152 – Bogong	NSW, Australia	100%	-	-
EL 8275 – Murrin Bend	NSW, Australia	100%	-	-
EL 8276 – Trevallan	NSW, Australia	100%	-	-
EL 6321 – Browns Reef	NSW, Australia	100%	-	-
EL 7746 – Archilles	NSW, Australia	Right to acquire up to 90%	-	-
EL 7931 – Shepards	NSW, Australia	Right to acquire up to 90%	-	-
EL 7891 – Tarilta	NSW, Australia	Right to acquire up to 90%	-	-
EL 8103 – Hill View	NSW, Australia	Right to acquire up to 90%	-	-
M15/0161	WA, Australia	80%	-	-
M15/0026	WA, Australia	80%	-	-
M15/0518	WA, Australia	80%	-	-
M15/0637	WA, Australia	80%	-	-
M15/1272	WA, Australia	80%	-	-
M15/1361	WA, Australia	80%	-	-
P15/4848	WA, Australia	80%	-	-
P15/4849	WA, Australia	80%	-	-
P15/4852	WA, Australia	80%	-	-
P15/4851	WA, Australia	80%	-	-
P15/5234	WA, Australia	80%	-	-
P15/5235	WA, Australia	80%	-	-

CORPORATE

During the September 2015 Quarter Kidman Resources Limited (ASX: KDR, “the Company” or “Kidman”) announced the issue of 12,700,000 new shares as partial repayment for amounts owed to Capri Trading Pty Ltd. The shares were issued at a deemed price of \$0.075 (7.5 cents) per share.

NSW Activities

No exploration activities were undertaken on the Crawl Creek and Brown’s Reef Projects during the September quarter.

NT Activities

No exploration activities were undertaken at the Home of Bullion Project during the September quarter.

Kidman is a diversified resource company currently establishing the Burbanks Gold Mine near Coolgardie in WA for production to commence in the September quarter of 2015.

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 Crawl 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

For more information please contact;

Martin Donohue (Managing Director)

Email: info@kidmanresources.com.au

Competent Persons Statement

Exploration:

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and Exploration Targets has been compiled by Mr. Michael Green BSc (Hons), MAusIMM, an employee of the Company. Mr. Green 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 2012 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. Green consents to the inclusion in this report of the contained technical information in the form and context in which it appears.

Resource Estimation:

The information in this release that relates to the Estimation and Reporting of Mineral Resources has been compiled by Mr. Richard Buerger BSc (Hons). Mr. Buerger is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Burbanks Deposit Mineral Resource estimation. Mr. Buerger is a Member of the Australasian Institute of Mining and Metallurgy and of the Australian Institute of Geologists and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Buerger consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears.

Ore Reserve estimation:

The information in this report which relates to the Burbanks Gold Project's Christmas Pit is based on information compiled by Gary McCrae, Mining Engineer and a full time employee of Minecomp Pty Ltd and who is a member of the Australasian Institute of Mining and Metallurgy. Gary McCrae has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves prepared by the Joint Ore Resources Committee, the Australian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and the Mineral Council of Australia." Gary McCrae consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Cautionary Statement

Readers should use caution when reviewing the exploration and historical production results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision.