

19th November 2014

ASX Release

Kidman Resources
Limited
ABN 88 143 526 096

Corporate Details:
ASX Code: KDR

Issued capital:
*118.61M ordinary
shares*

Substantial Shareholders:
Holdex Nominees 11.3m
(9.53%)

Directors:
Non-Executive Chairman:
Garrick Higgins
Managing Director:
Mr Martin Donohue
Non-Executive Director:
Brad Evans

Company Secretaries:
Melanie Leydin
Justin Mouchacca

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Kidman moves to change KBL Mining Board

Key Points

- **Kidman Resources to requisition a meeting of KBL Mining to approve Board changes**
- **Changes are aimed at protecting the interests of KBL shareholders**
- **Kidman has no intention of making a takeover bid for KBL**
- **Kidman's efforts will be focused on seeking ways to maximise returns from the two companies' complementary assets in the southern Cobar Basin of NSW**

Kidman Resources (ASX: KDR) advises that it will today give a requisition to KBL Mining (ASX: KBL) requiring it to call a meeting of its shareholders to consider resolutions aimed at removing all existing KBL Directors and appointing three new Directors.

If the resolutions are approved, Jim Wall, Brian Wesson, Greg Starr and Bob Besley will be removed as Directors and Tony Davis, Melanie Leydin and Mark Muzzin will be appointed.

Kidman's requisition is in response to the decision today of the KBL Chairman, Mr Jim Wall, to adjourn KBL's AGM immediately it began. The adjournment, which was made without warning or explanation, meant KBL shareholders were unable to vote on resolutions to re-appoint Mr Wall and Mr Starr to the KBL Board.

Kidman, which holds a 9.7 per cent stake in KBL, intended to vote against those two resolutions.

In addition to its 9.7 per cent stake in KBL, Kidman has also taken an assignment of a \$12.6 million debt owed by KBL. The debt is due for payment by 15 March 2015 and is secured against all of KBL's assets (including the operating Mineral Hill base metals mine in central NSW and its interest in the Sorby Hills lead-silver deposit in the East Kimberley region of WA).

Kidman is taking the above action to protect its interest as both a shareholder of KBL and as the secured debt holder. It is concerned that KBL's financial position has deteriorated drastically. Further, as Kidman has totally rejected the only proposed restructure of its secured debt put to it by KBL, it is concerned there is no current viable proposal for the repayment of its debt or to fund the expansion of the mining operations at Mineral Hill (as flagged by KBL in its recent releases).

If Kidman's resolutions are successful, it will ask the new KBL Board to undertake a thorough operational review of KBL's financial position and its operations, including the Mineral Hill mine plan.

Kidman Managing Director Martin Donohue said Kidman had no intention of making a takeover bid for KBL.

“Kidman is keen to explore ways which will create genuine wealth for both groups of shareholders,” Mr Donohue said. “This will involve focusing on issues such as exploration potential and prospects for greater economies of scale.”

Kidman and KBL have complementary mineral asset portfolios in the highly prospective southern Cobar Basin in NSW.

About Kidman’s proposed KBL Directors

Tony Davis

Mr Davis is a very experienced and accomplished mining engineer with in excess of 20 years’ operating experience in the Australian mining industry, across a range of commodities including gold, base metals and coal in both open cut and underground mines. A graduate of the WA School of Mines, Tony is currently the Chief Operating Officer for Unity Mining. He has previously held senior management roles with RioTinto, WMC, Pasminco, CBH and Sons of Gwalia.

Melanie Jaye Leydin

Melanie Leydin is a Chartered Accountant and is a Registered Company Auditor. She Graduated from Swinburne University in 1997, became a Chartered Accountant in 1999 and since February 2000 has been the principal of chartered accounting firm, Leydin Freyer. In the course of her practice she audits listed and unlisted public companies involved in the resources industry. Her practice also involves outsourced company secretarial and accounting services to public companies in the resources sector. This involves preparation of statutory financial statements, annual reports, half year reports, stock exchange announcements and quarterly ASX reporting and other statutory requirements. Melanie has 23 years experience in the accounting profession and is a director and company secretary for a number of oil and gas, junior mining and exploration entities listed on the Australian Stock Exchange.

Mark Anthony Muzzin

Mr Muzzin has had over 20 years of commercial experience and holds a B.A. degree from Latrobe University, Melbourne. His career commenced in the mid-eighties for a London stock broking firm and he has consulted for two of the major banks in Australia in the share custodian area. He has been involved in multiple capital raising activities for resource companies in Australia and has consulted to various oil/gas and minerals companies. Mr Muzzin holds a number directorships in private companies and is a non-executive Director of ASX listed Ishine International Resources Limited. Mr Muzzin is a Member of the Petroleum Exploration Society of Australia.

Martin Donohue Managing Director

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