Kidman Raises $21m to Progress WA Lithium and Gold Projects

Kidman Resources Limited ("Kidman" or the “Company”) (ASX: KDR) is pleased to advise that it has received commitments to raise $21 million via the issue of 73.7 million fully paid ordinary shares at 28.5 cents per share ("Placement"). The Placement was heavily oversubscribed, reflecting strong support from a wide range of domestic and international institutional and sophisticated investors, as well as continued support from the majority of Kidman’s largest shareholders.

Proceeds from the Placement will be used to fund an accelerated exploration program at the Company’s Mt Holland Project, including comprehensive drilling programs at the Earl Grey lithium deposit and the Blue Vein gold deposit, as well as exploration drilling to follow up a number of high grade gold targets beneath historic open pits within the Mt Holland Project. Proceeds will also be used to strengthen the Company’s balance sheet and for working capital purposes.

Key objectives of the drilling program are to fast-track a maiden Resource estimate for the Earl Grey lithium project, to undertake a resource drill out at the Blue Vein gold deposit and to complete an extensive exploration program across a number of high priority gold projects.

Kidman announced last month (see ASX release dated July 15, 2016) that assay results from five holes drilled into the Earl Grey lithium project had returned outstanding results with high grades of up to 2.5% Li₂O over wide intervals of up to 52 metres. Significantly, all holes terminated in lithium mineralisation.

Following completion of the Placement, Kidman intends to immediately commence a systematic drilling program across the Earl Grey deposit to determine the width of the mineralised pegmatite and to target the pegmatite up-dip near surface and laterally along strike.

The diamond core will be used for metallurgical test work, with the aim of demonstrating the potential to produce a saleable coarse spodumene concentrate, determining likely recoveries and gathering other key information needed for process plant design.

Earl Grey is one of several major lithium-bearing pegmatites at Mt Holland, all of which are on granted Mining Leases.

Hartleys Limited acted as Lead Manager to the Placement. PAC Partners acted as Co-Manager to the Placement.
The Placement will be completed in two tranches with approximately 56.6 million shares issued in the first tranche using the Company’s placement capacity pursuant to ASX Listing Rule 7.1 and 7.1A (“Tranche 1”). The remaining approximately 17 million shares will be issued in a second tranche, conditional on shareholder approval at a General Meeting to be held in late September 2016.

Kidman Background

Kidman is a diversified resource company currently in production at the Burbanks Gold Mine near Coolgardie in WA. 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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Cautionary Statement:

Readers should use caution when reviewing the exploration and historical information results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision. Potential quantity and grade is conceptual in nature, that there has been insufficient exploration to define a Mineral Resource, and that it is uncertain if further exploration will result in the determination of a Mineral Resource.

Information in this report may also reflect past exploration results, and Kidman’s assessment of exploration completed by past explorers, which has not been updated to comply with the JORC 2012 Code. The company confirms it is not aware of any new information or data which materially affects the information included in this announcement.