

## Appendix 5B

# Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

### Name of entity

KIDMAN RESOURCES LIMITED

### ABN

88 143 526 096

### Quarter ended ("current quarter")

30 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	967
1.2 Payments for		
(a) exploration & evaluation	(2,054)	(9,628)
(b) development	-	(3,070)
(c) production	-	(3,524)
(d) staff costs	(222)	(1,610)
(e) administration and corporate costs	(967)	(2,342)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	10	94
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other (GST paid on acquisitions)	(945)	(945)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(4,178)</b>	<b>(20,058)</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(6)	(77)
(b) tenements (see item 10)	-	(245)
(c) investments	-	-
(d) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2 Proceeds from the disposal of:		
(a) property, plant and equipment	-	-
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-
2.3 Cash flows from loans to other entities	-	-
2.4 Dividends received (see note 3)	-	-
2.5 Other (consideration for acquisition of MH Gold Pty Ltd)	(396)	(2,395)
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(402)</b>	<b>(2,717)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of shares	-	21,000
3.2 Proceeds from issue of convertible notes	-	-
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options	-	(1,438)
3.5 Proceeds from borrowings	2,002	2,002
3.6 Repayment of borrowings	(1,000)	(1,000)
3.7 Transaction costs related to loans and borrowings	-	-
3.8 Dividends paid	-	-
<b>3.10 Net cash from / (used in) financing activities</b>	<b>1,002</b>	<b>20,564</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	6,132	4,752
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(4,178)	(20,058)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(402)	(2,717)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,002	20,564
4.5 Effect of movement in exchange rates on cash held	-	-
Cash acquired on acquisition <sup>1</sup>	-	13
<b>4.6 Cash and cash equivalents at end of period</b>	<b>2,554</b>	<b>2,554</b>

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<sup>1</sup>The cash acquired on acquisition represents cash held by MH Gold Pty Ltd at 7 July 2016 being the date of acquisition.

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	2,368	5,947
5.2 Call deposits	186	185
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,554</b>	<b>6,132</b>

<b>6. Payments to directors of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to these parties included in item 1.2	143
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Consultancy fees and wages paid to director related entities and directors during the June 2017 quarter.

<b>7. Payments to related entities of the entity and their associates</b>	<b>Current quarter \$A'000</b>
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Nil

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<b>8. Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
8.1 Loan facilities	5,000	5,000
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	2,002	2,002
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

In April 2015, the Company entered into a Cash Advance Financing Facility with Capri Trading Pty Ltd. During this quarter, the Company repaid \$1 million. The remaining balance of the loan and interest (\$6.3 million) is due payable on or before 1 May 2018.

In June 2017, Sociedad Quimica y Minera de Chile S.A (SQM) provided a short term loan facility of US\$1.5 million as part of the negotiations that resulted in the joint venture transaction announced on 12 July 2017 (**Proposed Transaction**). If the Proposed Transaction does not proceed, it is intended that the amount outstanding under this loan facility will be set off against a break fee of the same amount payable by SQM to the Company. If the Proposed Transaction does proceed, this loan facility will become part of the convertible loan facility described below.


<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	2,000
9.2 Development	-
9.3 Production	-
9.4 Staff costs	250
9.5 Administration and corporate costs	800
9.6 Other (provide details if material)	-
<b>9.7 Total estimated cash outflows</b>	<b>3,050*</b>

\* As part of the Proposed Transaction, the Company will have access to a convertible loan facility of, in aggregate, US\$21.5 million. The Company anticipates being in a position to drawdown under this facility during the September 2017 quarter subject to finalisation and execution of definitive documents. The Company also received a large GST refund in July 2017 as noted at section 1.8 above.

<b>10. Changes in tenements (items 2.1(b) and 2.2(b) above)</b>	<b>Tenement reference and location</b>	<b>Nature of interest</b>	<b>Interest at beginning of quarter</b>	<b>Interest at end of quarter</b>
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E77/1463 E77/1772	Relinquished Relinquished	80% 100%	0% 0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased				

**Compliance statement**

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....  ..... Date: 31 July 2017  
(Company secretary)

Print name: Justin Mouchacca

**Notes**

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.