

13 July 2017

ASX Release

Kidman Resources Limited
ABN 88 143 526 096

Media Release by Sociedad Química y Minera de Chile S.A.

Corporate Details:

ASX Code: KDR

Issued capital:

333.3M ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:

Capri Holdings (9.75%)
Acorn Capital (5.88%)
Western Areas (5.2%)

Directors:

Non-Executive Chairman:

Peter Lester

Managing Director:

Martin Donohue

Non-Executive Director:

Brad Evans

Chief Financial Officer (CFO):

Jason Eveleigh

Company Secretaries:

Justin Mouchacca
Melanie Leydin

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Kidman Resources Limited (ASX: **KDR**) (**Kidman** or the **Company**) notes the media release provided by Sociedad Química y Minera de Chile S.A. (**SQM**) today that reaffirms SQM's lithium business strategy and provides further commentary on its proposed timetable to jointly develop the Mount Holland Lithium Project with Kidman.

Martin Donohue

Managing Director

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SQM's CEO reaffirms the company's strategy in the lithium business

Santiago, Chile, July 12, 2017 – Sociedad Química y Minera de Chile S.A. (“SQM” or the “Company”) (NYSE: SQM; Santiago Stock Exchange: SQM-A, SQM-B) is pleased to announce that following the recent announcement of the formation of a Joint Venture between SQM and Kidman Resources, SQM will consolidate three complementary lithium production plants worldwide: the Salar de Atacama in Chile, the Salar de Caucharí in Argentina, and the Mount Holland Spodumene deposit in Australia.

Patricio de Solminihac, SQM's CEO commented on the industry's perspectives: "At present, global demand is about 200,000 tons of Lithium Carbonate Equivalent (LCE) per year and growing at rates of nearly 14% per year. We believe it is highly probable that worldwide demand will exceed 500,000 tons by 2025. The use of lithium batteries in the automotive industry marks a trend that will revolutionize global demand in the coming years."

"Our experience as a leader in the industry for more than 20 years puts us in a privileged position to capture the opportunities that arise in the lithium market," added SQM's CEO. SQM's entry into the ownership of Caucharí and Mount Holland is the result of work done by a SQM multidisciplinary team that has been studying various lithium projects around the world for many years."

Patricio de Solminihac commented: "In lithium production, as in other industrial chemicals, leadership is achieved through the effective execution of projects with high growth potential and low total production costs. The Salar de Atacama, Caucharí, and Mount Holland far exceed our objectives: they are high quality deposits with great potential for future growth, which will allow us to continue being operators with low total production costs in all of our plants." He added, "At SQM we have a professional team with the knowledge and experience that let us be successful in the development of our Lithium projects over the past 20 years and has led us to identify the most profitable projects worldwide."

Finally, de Solminihac closed by saying: "We want to progress as fast as possible in the execution of our new projects. With respect to Caucharí, we will begin construction this year and expect to be producing lithium carbonate by 2019. Regarding Mount Holland, we expect to accelerate the significant exploration and technical studies already undertaken by Kidman to move into production of spodumene concentrate within the next 24 months. With regard to the refining plant, we will advance that in parallel, with the objective to start the production of lithium hydroxide and lithium carbonate on as short a timetable as possible after the concentrate operation is commissioned."

SQM

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About SQM

SQM is an integrated producer and distributor of lithium, iodine, specialty plant nutrients, potassium-related fertilizers and industrial chemicals. Its products are based on the development of high quality natural resources that allow the Company to be a leader in costs, supported by a specialized international network with sales in over 110 countries.

SQM's business strategy is to be a mining operator that selectively integrates the production and sales of products to industries essential for human development, such as food, health and technology. The strategy is built on the following six principles:

- strengthen internal processes to ensure access to key resources required for the sustainability of the business;
- extend lean operations (M1) to the entire organization to strengthen our cost position, increase quality and ensure safety;
- invest in the development of a specialty fertilizer market, including product differentiation, sales channel management and price optimization;
- recover the iodine market share, seek consolidation and vertical integration opportunities; invest in the development of industrial nitrate applications;
- search and invest in lithium and potassium assets outside of Chile to leverage our operational capabilities, take advantage of the current lithium market appeal and ensure access to raw materials for our potassium nitrate production; and
- seek diversification opportunities in gold, copper and zinc projects in the region to leverage our mining operating capabilities and provide business continuity to our exploration program.

The business strategy's principles are based on the following four concepts:

- build an organization with strategic clarity, inspirational leaders, responsible personnel and strong values;
- develop a strategic planning process that responds to the needs of our customers and market trends, while ensuring coordination between all segments of the business, including sales and operations;
- develop a robust risk control and mitigation process to actively manage business risk; and
- improve our stakeholder management to establish links with the community and communicate to Chile and worldwide our contribution to industries essential for human development.

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Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking statements" within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "plan," "believe," "estimate," "expect," "strategy," "should," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make concerning the Company's business outlook, future economic performance, anticipated profitability, revenues, expenses, or other financial items, anticipated cost synergies and product or service line growth.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are estimates that reflect the best judgment of SQM management based on currently available information. Because forward-looking statements relate to the future, they involve a number of risks, uncertainties and other factors that are outside of our control and could cause actual results to differ materially from those stated in such statements. Therefore, you should not rely on any of these forward-looking statements. Readers are referred to the documents filed by SQM with the United States Securities and Exchange Commission, specifically the most recent annual report on Form 20-F, which identifies important risk factors that could cause actual results to differ from those contained in the forward-looking statements. All forward-looking statements are based on information available to SQM on the date hereof and SQM assumes no obligation to update such statements, whether as a result of new information, future developments or otherwise.