

## 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 September 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) exploration & evaluation	(716)	(716)
(b) development	-	-
(c) production	-	-
(d) staff costs	(387)	(387)
(e) administration and corporate costs	(1,296)	(1,296)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	6
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	-
1.8 Other	-	-
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(2,393)</b>	<b>(2,393)</b>

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

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

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 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	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>-</b>	<b>-</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options <sup>1</sup>	427	427
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	5,744	5,744
3.6	Repayment of borrowings	(100)	(100)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>6,071</b>	<b>6,071</b>

<sup>1</sup>Note: In regards to the proceeds received for the exercise of options during the September 2017 quarter, it is noted that shares were yet to be allotted at 30 September 2017. The shares were subsequently allotted on 5 October 2017.

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	2,554	2,554
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,393)	(2,393)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	6,071	6,071
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>6,232</b>	<b>6,232</b>

5. <b>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	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	6,045	2,368
5.2 Call deposits	187	186
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>6,232</b>	<b>2,554</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	289
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 September 2017 quarter.

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
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

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

<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 (SQM Converting Note)	27,427	7,746
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. The remaining balance of the loan including interest amounts to \$6.37 million (\$5 million in principal and \$1.37 million in accrued interest) and is repayable on or before 1 May 2018.

Between June and September 2017, SQM Australia Pty Ltd (SQMA) (a wholly owned subsidiary of Sociedad Quimica y Minera de Chile SA (SQM)) advanced the Company loans totalling USD\$6.1million (AUD\$7.745 million principal plus accrued interest of \$24k). The loans have been provided under a Convertible Loan Agreement of up to US\$21.5 million (principal only) which has been converted to AUD\$27.4 million noted above. Repayment details (noted below) of the converting loan being the earlier of:

- (i) 11 September 2021;
- (ii) the date on which the conditions precedent are satisfied or waived under the definitive documents (in which case the Outstanding Amounts will be set off against amounts required to be paid by SQMA under the definitive documents);
- (iii) the date which is 5 business days after the date on which the definitive documents are terminated due to the conditions precedent not being satisfied or waived (being a maximum period of two and a half years from 11 September 2017); and
- (iv) the date which is 5 business days after the definitive agreements are otherwise terminated.

<b>9. Estimated cash outflows for next quarter</b>	<b>\$A'000</b>
9.1 Exploration and evaluation	3,000
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>4,050</b>


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

10.	Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1	Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	P77/4082	Amalgamated into E77/2188	100%	0%
		P77/4220	Amalgamated into E77/2188	100%	0%
		G77/0045	Amalgamated into G77/129	100%	0%
		G77/0047	Amalgamated into G77/129	100%	0%
		G77/0048	Amalgamated into G77/129	100%	0%
		G77/0049	Amalgamated into G77/129	100%	0%
		G77/0050	Amalgamated into G77/129	100%	0%
		G77/0068	Amalgamated into G77/129	100%	0%
		G77/0070	Amalgamated into G77/129	100%	0%
		G77/0071	Amalgamated into G77/130	100%	0%
		G77/0072	Amalgamated into G77/130	100%	0%
		G77/0073	Amalgamated into G77/130	100%	0%
		G77/0110	Amalgamated into G77/129	100%	0%
10.2	Interests in mining tenements and petroleum tenements acquired or increased	E77/2244	Granted	0%	100%
		E77/1400	Transferred - WSA to Kidman	100%	100%
		E77/2099	Transferred - WSA to Kidman	100%	100%
		G77/129	Granted	0%	100%
		G77/130	Granted	0%	100%

**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:



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(Company secretary)

Date: 31 October 2017

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.