



# Corporate Overview February 2018

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## Competent Person Statements

### Exploration:

The information in this release that relates to sampling techniques and data, exploration results, geological interpretation and exploration targets has been reviewed by Mr. M. Green BSc (Hons), MAusIMM. Mr. Green is an employee of the Company. Mr. Green is a shareholder of Kidman Resources. Mr. Green is a member of the Australasian Institute of Mining and Metallurgy. He has sufficient experience with the style of mineralisation and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr. Green consents to the inclusion in this report of the contained technical information in the form and context as it appears.

### Resource Estimation – Earl Grey:

The information in this presentation that relates to the Estimation and Reporting of Mineral Resources has been compiled by Mr. David Billington BE (Mining). Mr. Billington is a full-time employee of Mining Plus Pty Ltd and has acted as an independent consultant on the Earl Grey Deposit Mineral Resource estimation. Mr. Billington is a Member of the Australasian Institute of Mining and Metallurgy (109676) and has sufficient experience with the style of mineralisation, deposit type under consideration and to the activities undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Billington consents to the inclusion in this report of the contained technical information relating the Mineral Resource Estimation in the form and context in which it appears. Cautionary Statement: Readers should use caution when reviewing the exploration and any historical production results presented and ensure that the Modifying Factors described in the 2012 edition of the JORC Code are considered before making an investment decision.

### Metallurgy:

The information in this presentation that relates to metallurgy and metallurgical test work has been reviewed by Mr N. O'Brien, FAusIMM, MBA, B. Met Eng.. Mr O'Brien is not an employee of the Company, but is engaged as a contract consultant. Mr O'Brien is a Fellow of the Australasian Institute of Mining and Metallurgy, he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr O'Brien consents to the inclusion in this report of the contained technical information in the form and context as it appears.

### Forward Looking Statements

This presentation contains certain statements which may constitute forward-looking statements. Such statements are only predictions and are subject to inherent risks, uncertainties and other factors which could cause actual values, results, performance or achievements to differ materially from those expressed, implied or projected in any forward-looking statements. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward-looking statements are inherently subject to business, economic, competitive, political and social uncertainties and contingencies. Many factors could cause the Company's actual results to differ materially from those expressed or implied in any forward-looking information provided by the Company, or on behalf of, the Company. Such factors include, among other things, risks relating to additional funding requirements, metal prices, exploration, development and operating risks, competition, production risks, regulatory restrictions, including environmental regulation and liability and potential title disputes.

Forward looking statements in this presentation are based generally on the Company's beliefs, opinions and estimates as of the dates the forward looking statements that are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. Although the Company believes the outcomes expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include licence applications, the development of economic mineral or metal substitutes and general economic, market or business conditions. While, the Company has made every reasonable effort to ensure the veracity of the information presented they cannot expressly guarantee the accuracy and reliability of the estimates, forecasts and conclusions contained herein. Accordingly, the statements in the presentation should be used for general guidance only.

## Kidman Resources is an Australian-listed lithium explorer and developer<sup>1</sup>

- Direct exposure to the burgeoning electric vehicle (EV) thematic
- Lithium demand forecast by BMO to grow at a 14% CAGR through 2025

## Developing the Earl Grey lithium deposit in Australia via 50/50JV with SQM<sup>2</sup>

- Tier-1 globally significant hard-rock deposit
- Potential for significant resource growth via recently completed drilling program

## JV actively progressing investment case for a lithium refinery in Western Australia

- Kidman would be only fully integrated ASX-listed manufacturer of hard-rock sourced lithium hydroxide<sup>3</sup>
- Allows Kidman to bypass the Chinese conversion market

## Initial mine development and concentrator capital requirements fully funded<sup>4</sup>

- Refinery financing options being assessed

1. Kidman also has substantial gold assets

2. SQM = Sociedad Quimica y Minera de Chile

3. JV agreement allows Kidman right to market and sell its share of refinery output

4. According to Scoping Study and assuming decision to mine is taken by JV; as disclosed on 3 October 2017

5. Source: BMO Capital Markets, October 2017

6. Combined Inferred and Indicated Mineral Resource; as disclosed on 14 December 2016

7. LCE = Lithium Carbonate Equivalent; LiOH = Lithium Hydroxide

8. JV evaluating investment in a lithium refinery in Western Australia

9. Based on A\$/US\$ of 0.75

10. ~6.0% spodumene concentrate; as disclosed on 3 October 2017

11. After pre-strip; as disclosed on 3 October 2017

### EV Thematic

14% lithium demand CAGR through 2025<sup>5</sup>  
28% EV-driven lithium demand CAGR<sup>4</sup>

### Tier-1 Lithium Deposit

Mineral Resource: 128mt at 1.44% Li<sub>2</sub>O<sup>6</sup>  
LCE Resource: 4.54mt<sup>5,6</sup>  
Potential for significant resource growth

### Fully Integrated Refined Lithium Manufacturer<sup>7</sup>

Stage 1 Nameplate: 44ktpa LiOH or 38ktpa LCE<sup>7</sup>  
Would be only ASX-listed manufacturer of hard-rock sourced lithium hydroxide<sup>2</sup>

### 1<sup>st</sup> Quartile of Spodumene Cost Curve<sup>9</sup>

Avg C1 Concentrate Cash Cost: ~US\$205/t<sup>10</sup>  
Low strip ratio of 2.3 reducing to 1.9<sup>11</sup>

### SQM JV



SQM is world's largest lithium producer  
50/50 JV with anti-dilution protections  
Kidman retains right to market and sell its share of JV product (50%)

### Funding in Place

Mine development and concentrator capital requirements fully funded<sup>4</sup>  
Refinery financing options being assessed



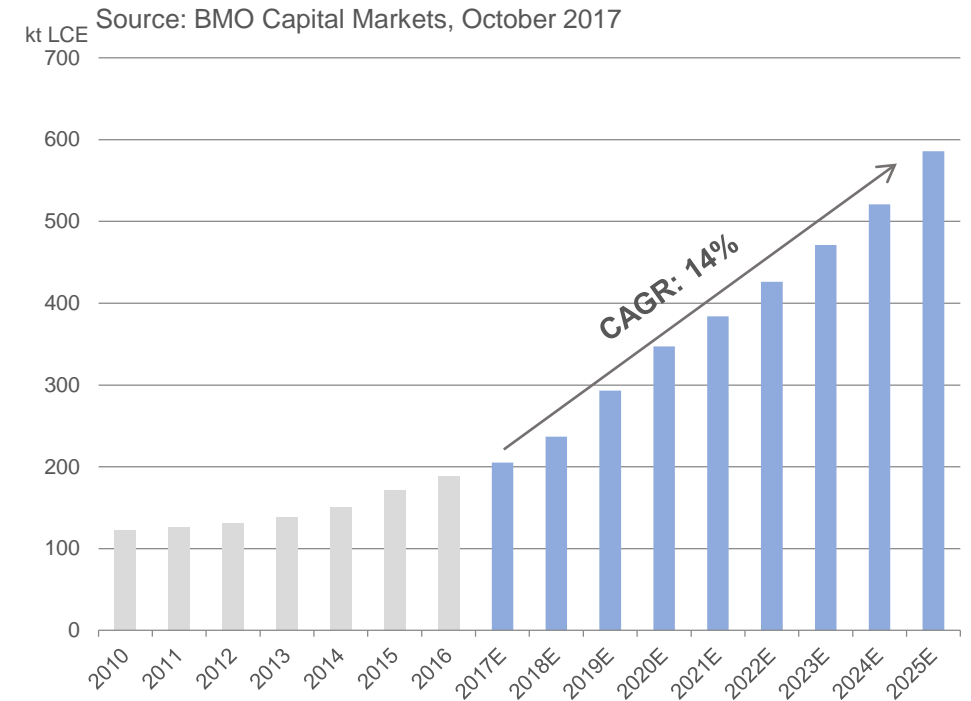
## Kidman has direct exposure to the burgeoning EV thematic

- Primarily through lithium hydroxide manufacturing, the preferred EV battery power source
- E.g. Tesla Gigafactory expected to consume ~28ktpa of lithium hydroxide per annum by 2020<sup>1</sup>

## Lithium demand forecast by BMO to grow at a 14% CAGR through 2025

- EV-driven lithium demand forecast to grow at a 28% CAGR over the same period
- Other drivers include energy storage, glass/ceramics and grease/lubricants

## Global Lithium Demand Growth<sup>1</sup>



1. Source: Benchmark Minerals Intelligence, 11 May 2017

# Earl Grey



## Earl Grey is a Tier-1 globally significant hard-rock deposit in Australia

- Mineral Resource of 128mt at 1.44% Li<sub>2</sub>O yielding 4.54mt of LCE<sup>1</sup>
- Life of Mine of 50+ years

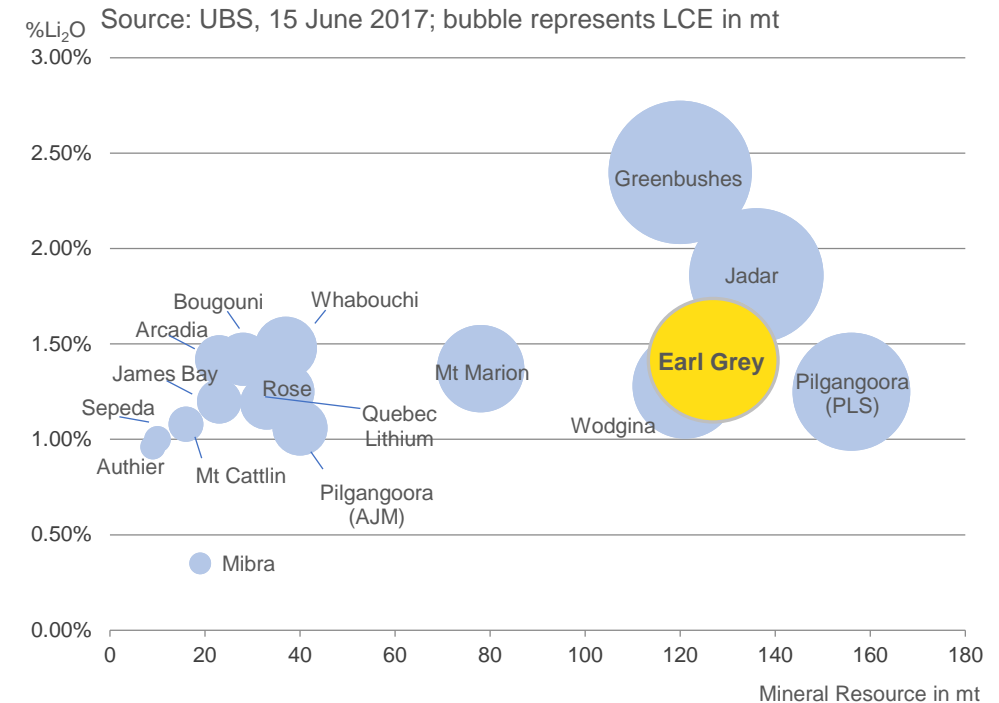
## Stage 1 mine and concentrator scoping study demonstrates robust economics

- 1st quartile of spodumene concentrate cost curve<sup>2</sup>
- Low strip ratio of 2.3 reducing to 1.9 after pre-strip; flat-lying deposit<sup>3</sup>
- ~288kt of ~6.0% spodumene concentrate or ~40kt of LCE produced annually<sup>3</sup>

## Potential for significant resource growth via recently completed drilling program

- Revised Mineral Resource estimate expected in March 2018

## Major Lithium Hard-Rock Projects



1. Combined Inferred and Indicated Mineral Resource; as disclosed on 14 December 2016

2. Based on A\$/US\$ of 0.75

3. As disclosed on 3 October 2017

# Refinery



## JV evaluating investment in a lithium refinery in Western Australia

- Kidman would be only integrated ASX-listed manufacturer of hard-rock-sourced lithium hydroxide<sup>1</sup>
- Allows Kidman to bypass the Chinese conversion market

## Refinery design to include lithium hydroxide / carbonate optionality

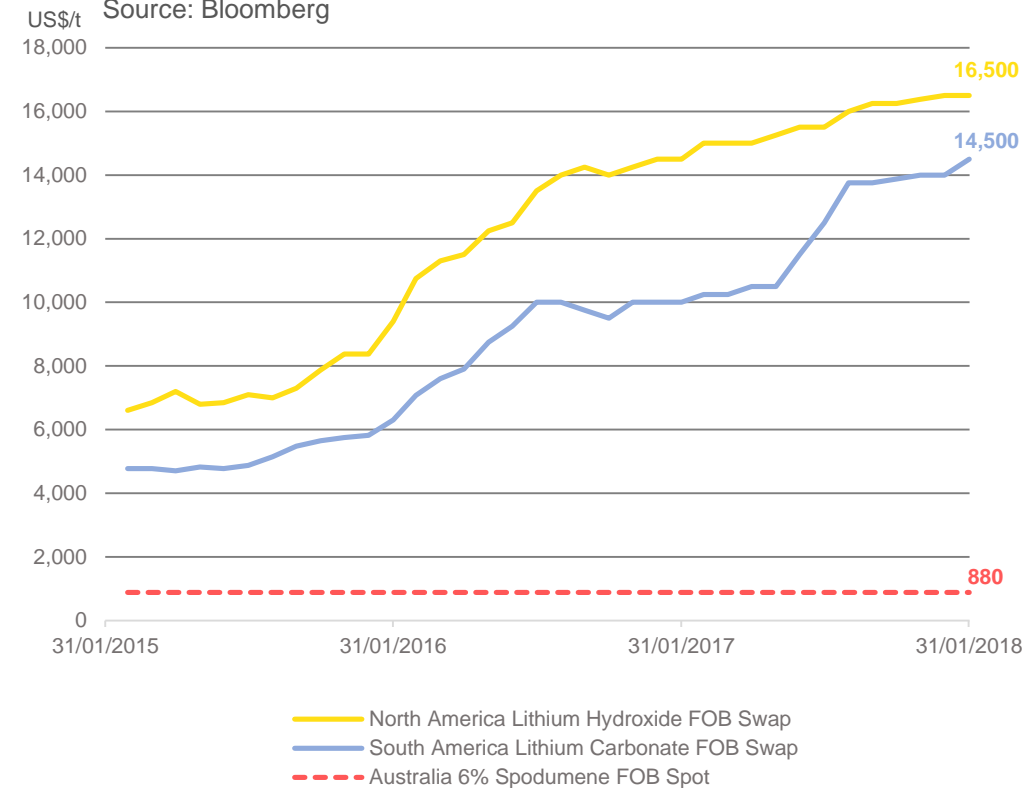
- Lithium hydroxide historically trades at a premium as it is the preferred EV battery power source
- Stage 1 nameplate of 44,000tpa lithium hydroxide or 37,800tpa lithium carbonate<sup>2</sup>
- Stage 2 design under assessment

## Refinery feasibility study in progress

- Market update expected in second half of calendar year<sup>3</sup>

## Lithium Hydroxide and Carbonate Pricing

Source: Bloomberg



1. JV agreement allows Kidman right to market and sell its share of refinery output

2. Refer Slide 13

3. JV agreement provides Kidman the right to participate in up to 50% of the refinery project should the JV decide to proceed; it is Kidman's intention to participate in the refinery investment in this case.

# Cost Position



## “Very low-cost project”<sup>1</sup>

- Avg C1 Spodumene Concentrate Cash Cost: ~US\$205/t<sup>2</sup>
- 1st quartile of spodumene concentrate cost curve<sup>3</sup>

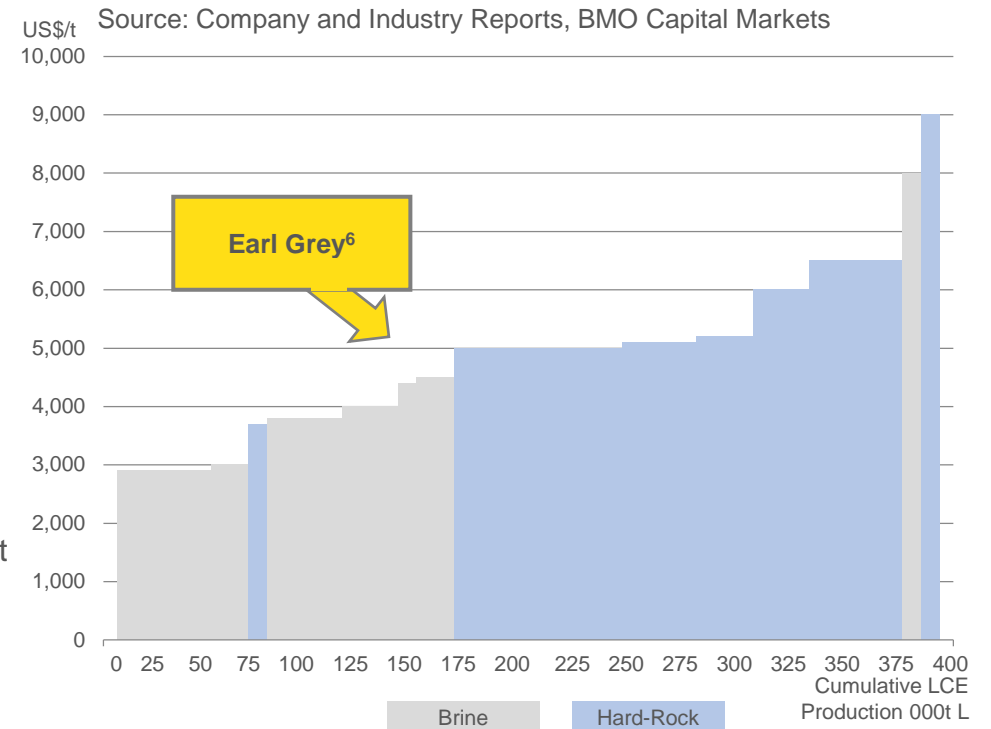
## Lithium hydroxide / carbonate cost position driven by favourable natural features

- Low strip ratio of 2.3 reducing to 1.9 after pre-strip
- Concentrator Output: ~6.0% Li<sub>2</sub>O<sup>4</sup>
- Concentrator Yield: ~60 - 85%<sup>5</sup>

## Also benefits from existing infrastructure and government support

- Brownfield mine site 400km from Perth with electricity, water, rail and road infrastructure
- Lead Agency Service granted by Western Australia Government, streamlining project development

## Illustrative Global Lithium Cost Curve



1. CEO of SQM, 11 September 2017 Press Release

2. As disclosed on 3 October 2017

3. Based on A\$/USD\$ of 0.75

4. Spodumene concentrate

5. Of mineralised pegmatite input

6. Illustrative cost position of refined product; subject to change



## SQM<sup>1</sup> is the global JV partner of choice

- World's largest lithium producer, accounts for more than 20% of world's lithium supply<sup>2</sup>
- Meaningful project management and operating experience (mine, concentrator, refinery)

## JV provides Kidman appropriate rights and anti-dilution protections

- Equal representation; CEOs of SQM and Kidman on Management Committee
- Right to market and sell pro rata share of product; right to participate up to 50% of refinery investment

## JV active with studies and approvals proceeding

- CEO and Project Director appointed
- Monthly Management Committee meetings being held alternately in Chile / Melbourne



### Western Australia Lithium

**SQM<sup>2</sup>:** World's largest lithium producer<sup>1</sup>

**50/50 JV:**

- Equal representation
- CEOs of SQM<sup>2</sup> and Kidman on Management Committee

**Appropriate rights and protections in place**

- Anti-dilution
- Marketing and sales

**JV active:**

- Key personnel appointed
- Monthly Management Committee meetings being held



# Funding

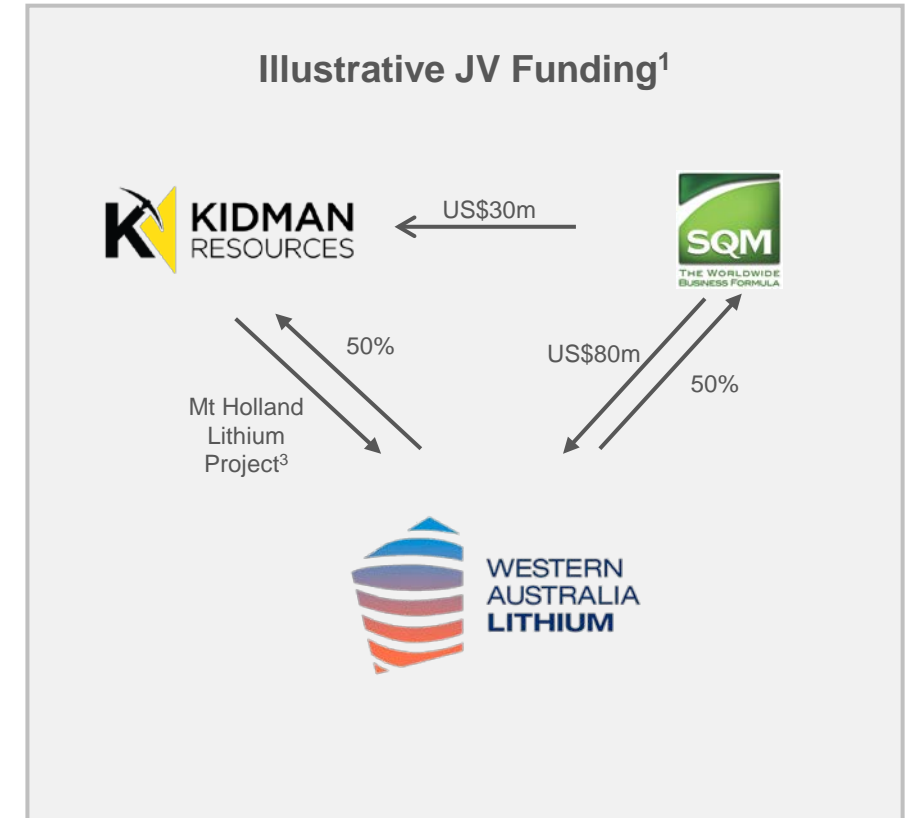


## Initial mine development and concentrator capital requirements fully funded<sup>1</sup>

- Completion of revised Mineral Resource estimate
- Completion of mine, concentrator and refinery feasibility studies
- Mine, concentrator and infrastructure construction

## Additional capital requirements to be funded on a 50/50 pro rata basis

- Kidman assessing financing options to participate in refinery investment<sup>2</sup>

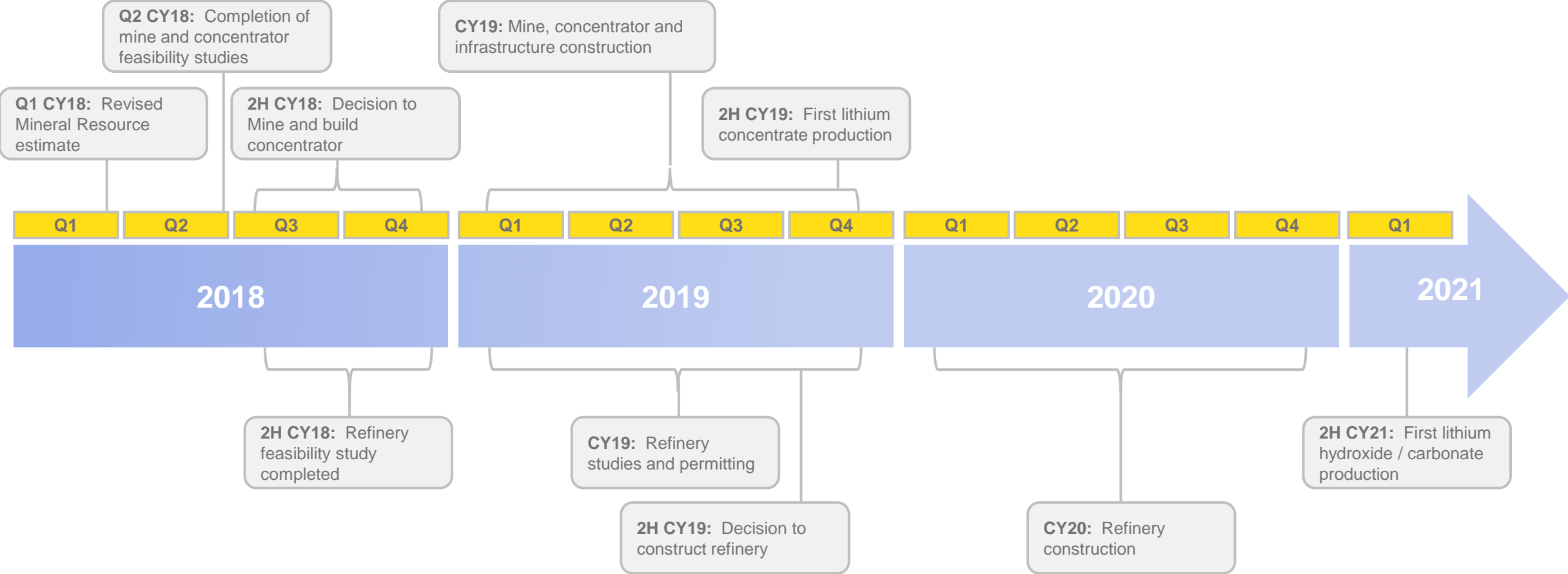


1. According to Scoping Study and assuming decision to mine is taken by JV; refer Kidman Quarterly Report dated December 2017

2. JV agreement provides Kidman the right to participate in up to 50% of the refinery project should the JV decide to proceed; it is Kidman's intention to participate in the refinery investment in this case.

3. Mt Holland Lithium Project includes the Earl Grey lithium deposit

# Catalysts



## Focus on JV and Project Management

- ***Deliver project safely, on time and on budget***
- Maintain existing strong relationship with SQM<sup>1</sup>
- Continue program of actively divesting non-core assets

## Maintain Independence

- Preserve right to market and sell pro rata share of JV output (50%)
- Preserve strategic position as only fully integrated ASX-listed manufacturer of lithium hydroxide
- Maintain independence from Chinese conversion market

## Develop Strategic Relationships

- Nurture SQM relationship
- Enhance relationships with global EV and battery industry leaders

## Refresh Board and Management

- John Pizzey appointed Chairman; Aaron Colleran appointed to Board
- Charles McGill appointed CFO; David English appointed JV Project Director
- Maintain nimble, entrepreneurial and innovative culture while recognising increasing scope of business

## Prioritise Shareholder Returns

- Maintain capital discipline
- Safeguard balance sheet
- Maintain remuneration policy that aligns investors' experience with management's experience

# Appendix A

# Tier-1 Global Resource

<b>Major Lithium Hard Rock Projects</b>						
Source: UBS, 15 June 2017						
<b>Operator</b>	<b>Status</b>	<b>Project</b>	<b>Li<sub>2</sub>O</b>	<b>Resource (mt)</b>	<b>Contained Li<sub>2</sub>O ('000t)</b>	<b>Contained LCE ('000t)</b>
Albemarle / Tianqi	Operating	Greenbushes	2.40%	120	2,880	7,122
Rio Tinto	Exploration	Jadar	1.86%	136	2,530	6,256
Pilbara Minerals	Development	Pilgangoora (PLS)	1.25%	156	1,950	4,822
<b>Kidman Resources</b>	<b>Exploration</b>	<b>Earl Grey</b>	<b>1.44%</b>	<b>128</b>	<b>1,843</b>	<b>4,558</b>
Mineral Resources	Operating	Wodgina	1.28%	121	1,549	3,830
Neometals / Ganfeng / Mineral Resources	Operating	Mt Marion	1.37%	78	1,069	2,643
Nemaska Lithium	Development	Whabouchi	1.48%	37	548	1,354
Critical Elements	Exploration	Rose	1.25%	37	463	1,144
Altura Mining	Development	Pilgangoora (AJM)	1.06%	40	424	1,049
Birimian	Exploration	Bougouni	1.42%	28	398	983
Jilin Jien Elements	Exploration	Quebec Lithium	1.19%	33	393	971
Prospect Resources	Exploration	Arcadia	1.42%	23	327	808
Galaxy Resources	Exploration	James Bay	1.20%	23	276	683
Galaxy Resources	Operating	Mt Cattlin	1.08%	16	173	427
Dakota Minerals	Exploration	Sepeda	1.00%	10	100	247
Sayona Mining	Exploration	Authier	0.96%	9	88	217
AMG	Exploration	Mibra	0.35%	19	67	164
<b>Total</b>					<b>15,078</b>	<b>37,278</b>

# Conceptual Integrated Project Flow Chart

