

16 October 2017

Media Statement

Kidman Resources Limited
ABN 88 143 526 096

Mt Holland granted 'Lead Agency Service' by WA Government

Corporate Details:

ASX Code: KDR

Issued capital:

349.14M ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:

EDM Nominees (9.34%)

Directors:

Non-Executive Chairman:

Peter Lester

Managing Director:

Martin Donohue

Non-Executive Director:

Brad Evans

Non-Executive Director:

David Southam

Chief Financial Officer (CFO):

Jason Eveleigh

Company Secretaries:

Justin Mouchacca

Melanie Leydin

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Kidman Resources Limited (ASX: KDR) is pleased to advise that Western Australian (WA) Premier, the Honourable Mark McGowan has advised that the Mt Holland Project, incorporating the development of a mine, processing plant and refinery, has been granted the status of 'Level 2 Lead Agency Service' by the WA Government.

Kidman and its Chilean based joint venture partner Sociedad Quimica y Minera de Chile (NYSE: SQM) are in the process of finalising the technical scope for development of the mine and processing plant on site at Mt Holland, located 110km south-east of Southern Cross. The site selection process, for the refinery plant to produce battery grade Lithium Hydroxide and/or Carbonate, is also well underway.

The granting of 'Lead Agency Service' to Mt Holland will assist with the streamlining of the project development activities, including the assessment of each strategic industrial site for the refinery, and further advance the feasibility study and approvals for the mining and concentrator operation. The Department of Jobs, Tourism, Science and Innovation is the lead agency for resource projects of strategic importance to WA. Current examples include the Gorgon Project on Barrow Island and the Roy Hill iron ore project in the Pilbara.

Kidman Managing Director, Martin Donohue, welcomed the decision by the WA Government to elevate the project status of Mt Holland and said it was the culmination of proactive engagement from key Government stakeholders with both Kidman and SQM executives in the past six months and their recognition of the strategic value of Kidman's integrated operation with a domestic lithium refinery.

"This decision reinforces the potential economic contribution of the proposed development of a large open pit lithium mine and processing operation in the Shire of Yilgarn as well as a standalone lithium refinery in Western Australia," Mr Donohue said.

"I would like to thank the WA Government for its support for the future of lithium production in WA. This commitment now underpins the significant investment to come with the construction of a Kidman/SQM refinery which will see WA move to a larger exporter of higher value beneficiated battery-grade chemicals."

Earlier this month a Scoping Study was released on Mt Holland, which defined a production target of 47Mt at 1.4% Li₂O over a 25 year period (Refer ASX release 3rd October 2017) from a large scale, low technical risk open pit mining operation with strip ratio of just 2.3 (reducing to 1.9 after pre-strip) and using a conventional processing circuit. The Mineral Resource of 128 million tonnes at 1.44% Li₂O for 1.84 million tonnes of lithium oxide provides significant opportunity to expand mine life at potentially higher annual processing rates.

For further information on lead agency status for resource projects in WA please go to:

<http://www.jtsi.wa.gov.au/what-we-do/offer-project-support/type-of-assistance>

Shareholders:
Kidman Resources

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