KIDMAN RESOURCES LIMITED
ABN 88 143 526 096

HALF YEAR FINANCIAL REPORT
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

Directors	Mr G John Pizzey (Non-Executive Chairman) (appointed 1 January 2018) Mr Martin Donohue (Managing Director) Mr Brad Evans (Non-Executive Director) (appointed as interim Chairman 3 November 2017 and resigned as Chairman 1 January 2018) Mr David Southam (Non-Executive Director) (appointed 24 July 2017) Mr Aaron Colleran (Non-Executive Director) (appointed 1 January 2018)
Chief Financial Officer	Mr Charles McGill (appointed 1 February 2018) Mr Jason Eveleigh (transitioned to Group General Manager - Commercial)
Company secretaries	Ms Melanie Leydin Mr Justin Mouchacca
Registered office	Level 4 100 Albert Road South Melbourne VIC 3205 Ph: (03) 9692 7222
Principal place of business	Level 7 24-28 Collins Street Melbourne VIC 3000
Share register	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Ph: (02) 9290 9600
Auditor	Grant Thornton Audit Pty Ltd Collins Square, 727 Collins Street Melbourne, 3008 VIC
Stock exchange listing	Kidman Resources Limited shares are listed on the Australian Securities Exchange (ASX code: KDR and listed options: KDRO)
Website	www.kidmanresources.com.au

Highlights:

- **Completion of the strategic JV with SQM to advance the Mt Holland Lithium Project towards construction and vertically-integrated sustainable production;**
- **The WA Government grants 'Lead Agency Service' status to the Mt Holland Lithium Project;**
- **Scoping Study and new drill program results were announced for the Earl Grey Resource within the Mt Holland tenements;**
- **Exploration at the Bounty Prospect within the Mt Holland tenements demonstrates geological and mineralisation continuity;**
- **Kidman's program to divest non-core assets continues as planned; and**
- **John Pizzey and Aaron Colleran were appointed to the Board as Independent Non-Executive Directors, post half-year end, with Mr Pizzey taking on the Chairman role.**

During the 6 months, Kidman Resources Limited (Kidman or the Company) announced completion of a strategic joint venture (JV) with Chilean-based Sociedad Quimica y Minera de Chile (SQM), the world's largest lithium producer, in respect of the world-class Mt Holland Lithium Project.

As part of transitioning from explorer to project developer, the Company completed its Board renewal process through the addition of industry leader and new Independent Non-Executive Chairman John Pizzey and respected business development executive Aaron Colleran as an Independent Non-Executive Director.

While the Mt Holland JV prepares for a new Earl Grey Project Mineral Resource estimate (due March quarter 2018), followed by a maiden Ore Reserve and release of the Feasibility Study, planning for construction of an on-site lithium concentrator is well advanced. Early-stage planning for a related refinery is progressing well, with site selection imminent.

Encouraging exploration results from the Bounty Prospect, also within the Mt Holland JV tenements, will be tested further during 2018. While there are a considerable number of untested targets within the Mt Holland tenements, Bounty already has the genuine potential to be an important additional source of material for the Mt Holland Integrated Lithium Project.

Mt Holland JV completion

On 21 December 2017, Kidman and SQM announced that they had entered into Definitive Agreements in relation to the establishment of the 50:50 Mt Holland Lithium Joint Venture (JV). Finalisation of the JV occurred following satisfaction of the relevant conditions precedent, including approval from the Australian Government's Foreign Investment Review Board. As a result:

- Kidman has transferred a 50% interest in the Mt Holland tenements, including the world-class Earl Grey lithium deposit, to an Australian subsidiary of SQM;
- The JV has been established with each of Kidman and SQM holding a 50% interest;
- Kidman has received the initial instalment of the purchase price for the transfer of the 50% interest of net US$3.5m (being US$5.0m less an amount of US$1.5m lent by SQM and applied to Kidman corporate matters); and
- The newly-established Joint Venture received its first staged contribution from SQM of net US$15m (being US$20.0m less US$5m spent by Kidman and SQM on joint venture matters to date).

Pursuant to the Definitive Agreements with SQM (and consistent with the Company's announcement on 12 September 2017), further payments will be made both to Kidman directly and to the JV when the JV makes a decision to mine. A decision to mine is anticipated shortly after the expected release of the Feasibility Study in the June quarter 2018. Detail of the further payments under this arrangement are that Kidman will receive US$25.0m and that the JV will receive US$60.0m.

Mt Holland – Lead Agency Service

On 16 October 2017, Kidman reported that the Western Australian Government had advised that the Mt Holland Project, incorporating the development of a mine, processing plant and refinery, had been granted the status of 'Level 2 Lead Agency Service' by the WA Government.

The granting of 'Lead Agency Service' to Mt Holland will assist with the streamlining of 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. Examples of 'Lead Agency Service' in WA include the Gorgon Project on Barrow Island and the Roy Hill iron ore project in the Pilbara.

Cash at bank

The Company's cash at bank at 31 December 2017 was $5.431m

Forfeitures

From 14-16 November 2017, the Mining Warden in Perth WA heard applications for exemption from expenditure in relation to 13 tenements held by Kidman's subsidiaries. The applications for exemption were made under section 102 of the WA Mining Act and relate to expenditure years ending in the period August 2015 to March 2016 (ie: before Kidman acquired the Mt Holland Project).

The Mining Warden considers the evidence given at the hearing and makes a written recommendation to the WA Minister for Mines as to whether the applications should be granted, and the Minister will determine the applications. If the Minister grants the applications for exemption, the forfeiture claims regarding those tenements will be dismissed. If the applications for exemption are not granted, the forfeiture claims will be heard by the Mining Warden who will then make a written recommendation to the Minister, and the Minister will determine the applications. Recommendation from the Mining Warden are pending.

The consolidated entity has received legal advice and is of the view that the claim is opportunistic and without merit given the evidence demonstrates that the required expenditure was met. The consolidated entity expects that the Warden recommends to the Minister of Mines, IR and Safety for the exemptions to be granted and expects this legal action be concluded during 2018.

MT HOLLAND LITHIUM PROJECT

Earl Grey

On 3 October 2017, Kidman announced the results of the Earl Grey Scoping Study (the Study) on a 100% project basis. The defined production target for the Study was 47Mt at 1.4% Li_2O over a 25-year period. Key results of the Study included:

- Low strip ratio of 2.3, reducing to 1.9 after pre-strip;
- Marketable concentrate of 5.8% to 6.0% Li2O at a processing rate of 2.0Mtpa;
- Produces an average 288ktpa concentrate, containing approximately 40Ktpa Lithium Carbonate Equivalent (LCE) units;
- Low technical risk, using open pit mining and conventional processing;
- Large-scale resource provides significant opportunity to expand mine life at potentially higher annual processing rates;
- Unit mine site operating costs of USD$32 per tonne of ore and C1 cash cost approximately USD$205 per tonne of concentrate; and
- Long life can support an investment in downstream refining infrastructure to produce lithium carbonate or hydroxide.

While the Study examined a base case scenario to produce a saleable concentrate for the export market, it did not examine nor factor in a potential refinery, also proposed to be built in Western Australia. As contemplated in the JV with SQM, the construction of a refinery will be analysed in the next level of studies.

The future inclusion of a refinery will enhance Kidman's vision to differentiate through downstream participation in a long-term sustainable business. Kidman believes this vision will facilitate maximised shareholder benefit, with Kidman planning to become a very significant participant in a global burgeoning lithium market for carbonate and hydroxide which is currently dominated by a handful of incumbent producers who still account for over 80% of the global lithium market.

It is important to note that the Study results do not contain the expected future benefits that SQM should bring to the project's advancement, some of which are already being experienced in early JV workflow and technical meetings.

The Study provides order of magnitude estimates of costs, production and financial metrics for developing the Earl Grey deposit and concentrator only (*see project location map [figure 1], general arrangement of the Mt Holland mine [figure 2] and the Earl Grey deposit as an open pit mine [figure 3]*).

There was no consideration in the Study for a potential gold mining endowment or operation at Mt Holland in which Kidman retains 100% of the gold rights. Within the JV with SQM, Kidman will retain the sole marketing rights to its 50% share of lithium production, providing optionality for refinery funding.

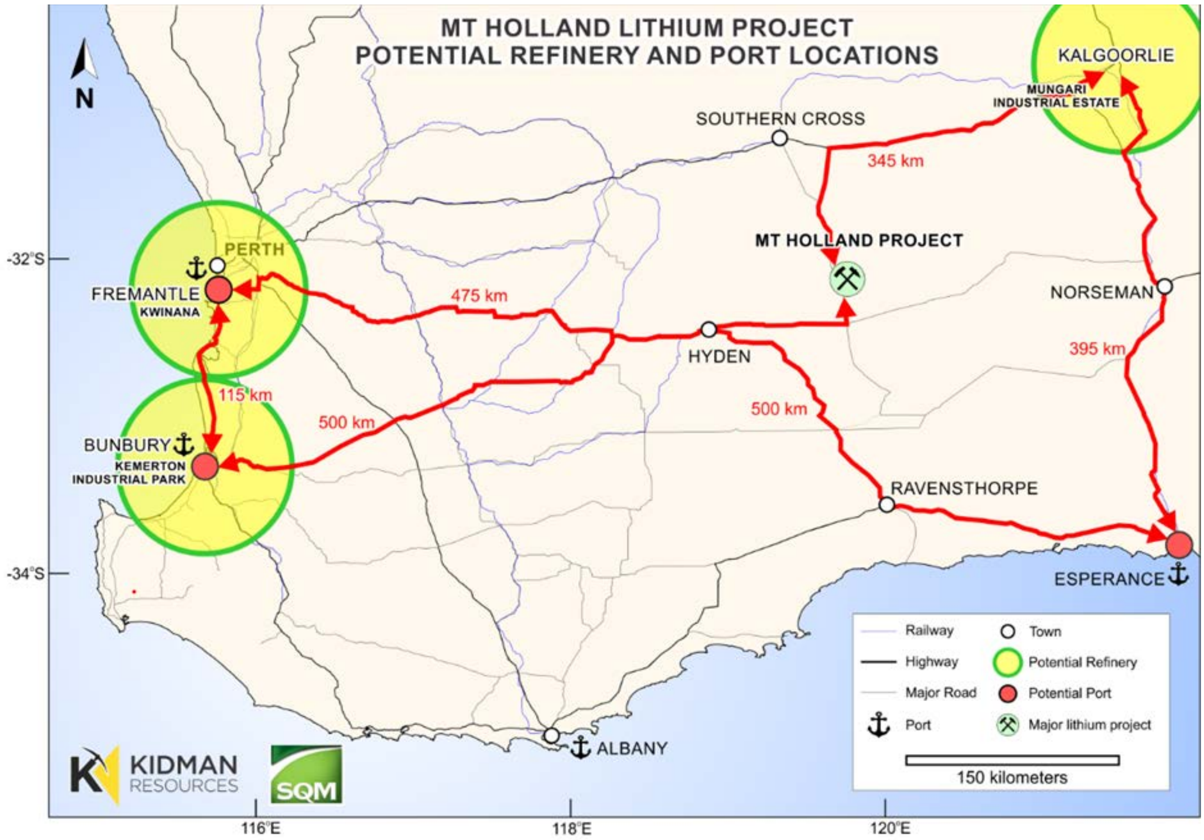

Figure 1: Project location

On 29 November 2017, Kidman announced that its extensive program of infill and extensional drilling at Earl Grey continues to deliver outstanding results, paving the way for a further increase in the project's Mineral Resource confidence and inventory. Significant intercepts included:

- 81m @ 1.63% Li_2O from 105m (KEGR132);
- 79m @ 1.68% Li_2O from 117m (KEGM024);
- 75m @ 1.80% Li_2O from 99m (KEGR151);
- 78m @ 1.84% Li_2O from 116.34m (KEGM032);
- 72m @ 1.80% Li_2O from 137m (KEGM153);
- 75m @ 1.67% Li_2O from 118m (KEGR134);
- 42.7m @ 1.68% Li_2O from 61.4m, incl. 22m @ 1.93% Li_2O from 62m and 24m @ 1.94% Li_2O from 115m, (KEGM020);
- 46m @ 1.73% Li_2O from 103m (KEGR158);
- 43m @ 1.94% Li_2O from 150m (KEGR160);
- 49m @ 1.93% Li_2O from 153m (KEGR161); and
- 40m @ 2.00% Li_2O from 159m (KEGR172).

The exceptional results generated from expansion and infill drilling at Earl Grey have continued to increase the confidence in the Mineral Resource and confirm grade continuity. Additionally, the program is identifying multiple new pegmatite intercepts which require follow-up.

The Maiden Combined Inferred and Indicated Mineral Resource at the Earl Grey deposit of 128Mt @ 1.44% Li_2O for 1.84Mt lithium oxide (4.54Mt Lithium Carbonate Equivalent) was announced on 14 December 2016. With integration of the recent infill and extensional drilling program, Kidman is aiming to announce an updated and expanded Mineral Resource in the March quarter 2018.

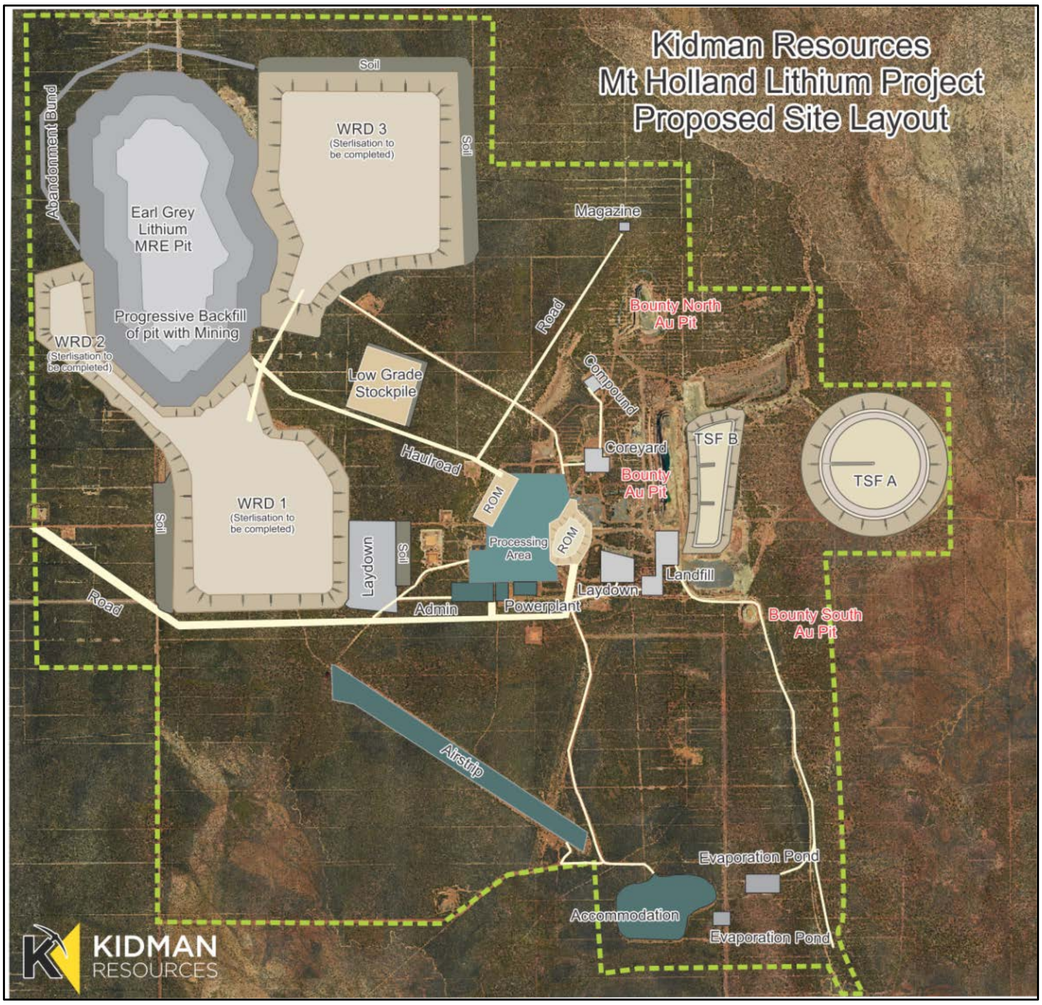

Figure 2: General arrangement of the Mt Holland mine

An updated Mineral Resource, with the aim of leading to a determination of an Ore Reserve at Mt Holland in mid-2018, is expected to form the basis of a robust project providing reliable long-term supply. This positions the Mt Holland Lithium Project at the forefront of lithium projects at a time of increasing global demand for lithium products.

On the current work schedule, and with relevant approvals, construction of an on-site lithium concentrator is targeted to commence in the December 2018 quarter followed by construction in WA of a lithium refinery for production of both lithium hydroxide and lithium carbonate. Work on finalising the optimal location for a refinery is progressing well, with strong support from WA Government.

Figure 3: The Earl Grey deposit, open pit, aerial view in concept

Bounty

On 19 December 2017, Kidman announced that the first-pass of its exploration program at the Bounty prospect, 3.5kms south-east of the world-class Earl Grey lithium deposit, had intersected multiple pegmatites enriched in lithium and tantalum.

The intersections at Bounty have demonstrated geological and mineralisation continuity, and will be tested further with a follow-up program in 2018 with the aim of defining a second Mineral Resource at the Mt Holland Integrated Lithium Project. Significant intercepts of lithium and tantalum in Bounty's KBYD001 and KBYD002 include:

- 17.6m @ 1.67% Li_2O from 146m, incl. 9.65m @ 2.34% Li_2O from 151m (KBYD001);
- 4.0m @ 1.38% Li_2O from 63.2m, (KBYD001);
- 3.7m @ 1.35% Li_2O from 92.1m (KBYD001);
- 1.2m @ 1.02% Li_2O from 61.6m (KBYD001);
- 1.1m @ 1.28% Li_2O from 97.6m (KBYD001);
- 2.3m @ 1.39% Li_2O from 108.8m (KBYD001);
- 5.9m @ 0.85% Li_2O from 206.0m (KBYD001);
- 3.0m @ 1.39% Li_2O from 225.0m (KBYD001);
- 2.5m @ 1.38% Li_2O from 325.5m (KBYD001); and
- 65.0m @ 138ppm tantalum (Ta) from 78.0m (KBYD002).

CORPORATE

New Directors

On 20 December 2017, and following the announcement on 2 November of the retirement of Non-Executive Chairman Peter Lester, Kidman announced the appointment of two new Directors, including the appointment of resources industry leader John Pizzey as Independent Non-Executive Chairman.

Mr Pizzey is joined on the Board by new Independent Non-Executive Director Aaron Colleran, a respected minerals industry business development executive. Interim Chairman, Brad Evans, has returned to his position of Independent Non-Executive Director. All appointments were effective 1 January 2018.

John Pizzey has been involved in the resources industry for more than 40 years. He is currently the Non-Executive Chairman of Alumina Limited, a position he will step down from early in the new-year. He is also a Non-Executive Director of Orora Limited. Previous directorships include Iluka Resources Limited, Amcor Limited and WMC Resources Limited. The majority of Mr Pizzey's executive experience was with Alcoa Inc. and Alcoa of Australia. Mr Pizzey is a Life Member and former Chairman of the International Aluminium Institute and he is a former Chairman of the London Metal Exchange.

Aaron Colleran is a strategic member of the highly-successful Evolution Mining Leadership Team, having managed their business development program for the past several years. Originally an exploration geologist with commercial tertiary qualifications, Mr Colleran has had a distinguished career in the resources-related finance industry. He has over 20 years' experience in mining finance and corporate advice, and has led a range of successful corporate transactions.

OTHER OPERATIONAL

Coolgardie Mining

On 20 December 2017, Kidman announced the completion of the sale of the share capital of its fully-owned subsidiary Coolgardie Mining Company Pty Ltd to Barra Resources Limited, covering mining licence M15-161 and the Burbanks gold mine, for an upfront fee (announced 13 November 2017) of $121,000 and a royalty of $20/oz for the first 55,000 ounces sold from the Burbanks mine.

NSW & NT Projects

During the 6 months, Kidman continued to review all projects in the NT and NSW with the aim of considering alternatives to potentially divest these assets. No field work was conducted on these projects during this time.

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Kidman Resources Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2017.

Directors

The following persons were Directors of Kidman Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Mr G John Pizzey (Non-Executive Chairman) (appointed 1 January 2018)
Mr Martin Donohue (Managing Director)
Mr Brad Evans (Non-executive Director) (appointed as interim Chairman 3 November 2017 and resigned as Chairman 1 January 2018)
Mr David Southam (Non-Executive Director) (appointed 24 July 2017)
Mr Aaron Colleran (Non-Executive Director) (appointed 1 January 2018)
Mr Peter Lester (Non-executive Chairman) (resigned 3 November 2017)

Principal activities

During the financial half-year the principal continuing activities of the consolidated entity consisted of exploration and development of the consolidated entity's Mt Holland lithium and gold project located near Southern Cross in WA.

Review of operations

The loss for the consolidated entity after providing for income tax amounted to $2,814,385 (31 December 2016: $21,086,079).

Of the total loss at 31 December 2017, $2,702,397 was from continuing operations and $111,988 was from discontinued operations (2017: $9,017,511 and $12,068,568 respectively). The loss from continuing operations was made up of the following significant items:

- Corporate expenses of $1,487,139 (2016: $497,311)
- Employee benefits expense of $596,551 (2016: $598,742)
- Administration expenses of $395,686 (2016: $314,241)

Financial Position

The net assets of the consolidated entity decreased by $1,973,456 to $14,120,281 as at 31 December 2017 (30 June 2017: $16,093,737).

The consolidated entity's working capital, being current assets less current liabilities was in deficit $1,756,502 at 31 December 2017 (30 June 2017: $6,201,037 deficit). During the period the consolidated entity had net cash outflows from operating activities of $2,198,905 and $1,937,554 from exploration and evaluation development activities (31 December 2016: $4,683,972 operating activities and $11,120,883 from exploration and evaluation and development activities).

The consolidated entity has on issue 47,453,487 quoted options exercisable at $0.15 (15 cents) per option that expire on 30 April 2018. Given the current market price of $2.19 (14 March 2018) the Directors are confident that an option exercise rate of over 95% is probable. This will raise approx. $6.7m which can be utilised to repay the loan.

A detailed operations and technical review of operations has been presented preceding this Directors' report.

Significant changes in the state of affairs

On 10 July 2017, the consolidated entity announced that it had successfully defended the ownership of lithium rights to its Mt Holland project, including the Earl Grey deposit, with Supreme Court Justice Kenneth Martin handing down a judgment against the plaintiff, Marindi Metals Ltd ("MZN"). On 12 September 2017, Justice Kenneth Martin handed down his decision on the question of costs and ordered MZN to pay the consolidated entity's costs of the proceedings. His Honour further ordered that these costs be paid by MZN on a full indemnity basis from 1 March 2017.

On 12 July 2017, the consolidated entity announced that it had entered into a binding agreement in relation to a proposed Joint Venture with SQM to develop the Mt Holland Lithium Project.

On 12 September 2017, the consolidated entity announced that it had executed the definitive agreements regarding the proposed SQM JV as noted above. Under the Definitive Agreements, an unincorporated 50/50 joint venture under which SQM will commit to sole fund US$80 million of JV expenditure will be formed that will include a JV Management Committee that is comprised of two Kidman and two SQM representatives to oversee the development of the Earl Grey mine, concentrator and potential refinery. Kidman will transfer a 50% interest in the Mt Holland Tenements for US$30 million. The contributions by SQM are subject to conditions precedent (being principally foreign investment approvals, approvals of the WA Minister of Mines and other necessary third party approvals).

During September as part of the agreement noted above, a convertible loan facility of up US$21.5 million was made available to the consolidated entity.

On 19 September 2017, 14,810,063 fully paid ordinary shares were issued to Capri Trading Pty Ltd as final payment of the Deferred Consideration for the purchase of Mt Holland in July 2016.

During October 2017, the consolidated entity issued 2,000,000 fully paid ordinary shares upon the exercise of unlisted options at an exercise price of $0.4275 (42.75 cents) per option raising a total of $855,000 (before costs).

On 13 November 2017, the consolidated entity announced that it had agreed to sell the share capital of its 100% owned subsidiary Coolgardie Mining Company Pty Ltd (“CMC”) to Barra Resources Limited (“Barra”). CMC holds the mining licence M15-161 covering the Burbanks gold mine. Under the terms of the Sale Agreement, Barra paid the consolidated entity an upfront fee of $121,000 and will pay a royalty of $20 per Oz for the first 55,000 Oz’s sold from the Burbanks mine. The sale was completed on 20 December 2017.

On 21 December 2017, the consolidated entity announced that it had completed Mt Holland Lithium Joint Venture following satisfaction of the relevant conditions precedent, including approval from the Australian Government’s Foreign Investment Review Board.

There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Matters subsequent to the end of the financial half-year

On 9 January 2018, the consolidated entity announced that it had entered into an agreement to sell 100% of its Crowl Creek project for $250,000.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors

Mr G John Pizzey
Chairman

14 March 2018
Melbourne

Grant Thornton

Collins Square, Tower 1
727 Collins Street
Docklands Victoria 3008

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Auditor's Independence Declaration to the Directors of Kidman Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Kidman Resources Limited for the half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

a No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b No contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B L Taylor
Partner – Audit & Assurance

Melbourne, 14 March 2018

Kidman Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2017

	Note	Consolidated 31 December 2017 $	Consolidated 31 December 2016 $
Revenue from continuing operations	4	16,638	57,487
Other income	5	174,491	-
Expenses			
Corporate expenses		(1,487,139)	(497,311)
Administrative expenses		(395,686)	(314,241)
Employee benefits expense		(596,551)	(598,742)
Interest expense		(98,485)	(347,257)
Depreciation and amortisation expense		(24,753)	(19,658)
Impairment of assets		(34,318)	(3,627,764)
Loss on extinguishment of liability	6	-	(2,973,102)
Share based payments		-	(696,923)
Foreign exchange losses		(256,594)	-
Loss before income tax expense from continuing operations		(2,702,397)	(9,017,511)
Income tax expense		-	-
Loss after income tax expense from continuing operations		(2,702,397)	(9,017,511)
Loss after income tax expense from discontinued operations	7	(111,988)	(12,068,568)
Loss after income tax expense for the half-year attributable to the owners of Kidman Resources Limited		(2,814,385)	(21,086,079)
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Kidman Resources Limited		(2,814,385)	(21,086,079)
Total comprehensive income for the half-year is attributable to:			
Continuing operations		(2,702,397)	(9,017,511)
Discontinued operations		(111,988)	(12,068,568)
		(2,814,385)	(21,086,079)
		Cents	**Cents**
Earnings per share for loss from continuing operations attributable to the owners of Kidman Resources Limited			
Basic earnings per share	19	(0.79)	(3.13)
Diluted earnings per share	19	(0.79)	(3.13)
Earnings per share for loss from discontinued operations attributable to the owners of Kidman Resources Limited			
Basic earnings per share	19	(0.03)	(4.19)
Diluted earnings per share	19	(0.03)	(4.19)
Earnings per share for loss attributable to the owners of Kidman Resources Limited			
Basic earnings per share	19	(0.82)	(7.33)
Diluted earnings per share	19	(0.82)	(7.33)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

	Note	Consolidated 31 December 2017 $	Consolidated 30 June 2017 $
Assets			
Current assets			
Cash and cash equivalents		5,431,340	2,554,441
Trade and other receivables	8	2,188,687	1,808,591
Other		82,058	40,575
Total current assets		7,702,085	4,403,607
Non-current assets			
Property, plant and equipment		117,106	137,347
Intangibles		22,307	27,466
Exploration and evaluation	9	15,755,205	22,139,941
Other		45,454	83,153
Total non-current assets		15,940,072	22,387,907
Total assets		23,642,157	26,791,514
Liabilities			
Current liabilities			
Trade and other payables		2,925,713	2,038,981
Borrowings	10	6,390,998	8,443,642
Employee benefits		141,876	122,021
Total current liabilities		9,458,587	10,604,644
Non-current liabilities			
Employee benefits		63,289	43,133
Provisions		-	50,000
Total non-current liabilities		63,289	93,133
Total liabilities		9,521,876	10,697,777
Net assets		14,120,281	16,093,737
Equity			
Issued capital	11	63,554,926	58,013,355
Other contributed equity	12	-	4,473,102
Reserves	13	227,541	455,081
Accumulated losses		(49,662,186)	(46,847,801)
Total equity		14,120,281	16,093,737

The above statement of financial position should be read in conjunction with the accompanying notes

Kidman Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2017

Consolidated	Contributed equity $	Other contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2016	29,847,701	-	(15,537,530)	108,292	14,418,463
Loss after income tax expense for the half-year	-	-	(21,086,079)	-	(21,086,079)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(21,086,079)	-	(21,086,079)
Deferred consideration payable upon completion of Mt Holland acquisition	-	4,473,102	-	-	4,473,102
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs	19,608,936	-	-	62,366	19,671,302
Share-based payments (note 20)	412,500	-	-	284,423	696,923
Balance at 31 December 2016	49,869,137	4,473,102	(36,623,609)	455,081	18,173,711

Consolidated	Contributed equity $	Other contributed equity $	Accumulated losses $	Reserves $	Total equity $
Balance at 1 July 2017	58,013,355	4,473,102	(46,847,801)	455,081	16,093,737
Loss after income tax expense for the half-year	-	-	(2,814,385)	-	(2,814,385)
Other comprehensive income for the half-year, net of tax	-	-	-	-	-
Total comprehensive income for the half-year	-	-	(2,814,385)	-	(2,814,385)
Transactions with owners in their capacity as owners:					
Contributions of equity, net of transaction costs (note 11)	5,541,571	(4,473,102)	-	(227,540)	840,929
Balance at 31 December 2017	63,554,926	-	(49,662,186)	227,541	14,120,281

The above statement of changes in equity should be read in conjunction with the accompanying notes

Kidman Resources Limited
Statement of cash flows
For the half-year ended 31 December 2017

	Consolidated	
	31 December 2017 $	**31 December 2016 $**
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	-	821,127
Payments to suppliers and employees (inclusive of GST)	(2,167,616)	(5,564,754)
Interest received	17,196	59,655
Interest paid	(48,485)	-
Net cash used in operating activities	(2,198,905)	(4,683,972)
Cash flows from investing activities		
Payment for expenses relating to acquisitions	-	(2,000,000)
Payments for exploration and evaluation	(1,937,554)	(6,050,883)
Payments for development assets	-	(3,070,000)
Payments for exploration and evaluation security deposits	-	(20,350)
Proceeds from disposal of subsidiary	121,000	-
Proceeds from sale of interest in Joint Venture	6,529,120	-
Proceeds from disposal of property, plant and equipment	-	76,937
Proceeds from release of bank guarantees	37,699	40,000
Net cash from/(used in) investing activities	4,750,265	(11,024,296)
Cash flows from financing activities		
Proceeds from issue of shares	855,000	21,000,225
Proceeds from borrowings	5,743,243	100,000
Capital raising costs	(14,071)	(1,328,923)
Repayment of borrowings	(6,258,633)	-
Net cash from financing activities	325,539	19,771,302
Net increase in cash and cash equivalents	2,876,899	4,063,034
Cash and cash equivalents at the beginning of the financial half-year	2,554,441	4,752,226
Cash and cash equivalents at the end of the financial half-year	5,431,340	8,815,260

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Kidman Resources Limited as a consolidated entity consisting of Kidman Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Kidman Resources Limited's functional and presentation currency.

Kidman Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

Registered office	**Principal place of business**
Level 4 100 Albert Road South Melbourne VIC 3205	Suite 1, Level 7 24-28 Collins Street Melbourne VIC 3000

A description of the nature of the consolidated entity's operations and its principal activities are included in the Directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 14 March 2018. The Directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2017 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2017 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going Concern

The financial report has been prepared on a going concern basis. This contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. During the period ended 31 December 2017 the consolidated entity experienced an operating loss of $2,814,385 (2016: $21,086,079). Of the total loss at 31 December 2017, $2,702,397 was from continuing operations and $111,988 was from discontinued operations (2016: $9,017,511 and $12,068,568 respectively).

At 31 December 2017 the consolidated entity had cash and cash equivalents of $5,431,340 (30 June 2017: $2,554,441). Working capital at 31 December 2017, being current assets less current liabilities, was in deficit $1,756,502 (30 June 2017: $6,201,037). The directors believe that the working capital position of the consolidated entity will improve following the expected exercise of options as noted on page 9.

Net cash outflows from operating activities during the year were $2,198,905 (2016: $4,683,972).

Note 2. Significant accounting policies (continued)

The going concern of the consolidated entity is dependent upon maintaining sufficient funds for operations and commitments. Based on the minimum commitment expenditure required under existing tenements over the next 12 months as detailed in the commitments note and the cash holdings as at 31 December 2017, the Directors are confident that the consolidated entity remains a going concern for the following reasons:

- The 12 month rolling cash flow forecast demonstrates the ability of the consolidated entity to meet its debts as they fall due; and
- The second payment (USD$25m) from SQM to Kidman Resources is due upon reaching the “decision to mine” at the Mt Holland Lithium project. The directors reasonably expect this decision to be made in Q2/Q3 of 2018; and
- The directors consider that the plaint in relation to Phoenix Rise Pty Ltd does not impact the consolidated entity’s ability to secure additional funds as and when they are required over this period.

As at 31 December 2017 there is a current liability of $6.39m relating to debt finance to due be repaid on 30 April 2018.

The consolidated entity has on issue 47,453,487 quoted options exercisable at $0.15 (15 cents) per option that expire on 30 April 2018. Given the current market price of $2.19 (14 March 2018) the Directors are confident that an option exercise rate of over 95% is probable. This will raise approx. $6.7m which can be utilised to repay the loan.

The consolidated entity continues to closely monitor expenditure, and the Board is confident that it will be able to manage its cash resources appropriately without negatively impacting upon planned activities. On this basis the directors consider that the consolidated entity remains a going concern and these financial statements have been prepared on this basis.

Note 3. Operating segments

Identification of reportable operating segments
The consolidated entity does not have any reportable operating segments as it solely operates in the exploration for base metal and rare earths industry within Australia. These internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources are prepared on the consolidated entity as a whole.

Note 4. Revenue

	Consolidated	
	31 December 2017 $	31 December 2016 $
From continuing operations		
Interest	16,638	55,687
Other revenue	-	1,800
Revenue from continuing operations	16,638	57,487

Note 5. Other income

	Consolidated	
	31 December 2017 $	31 December 2016 $
Profit on sale of subsidiary	174,491	-

The Profit on sale of subsidiary noted above represents the sale of 100% of the share capital in Coolgardie Mining Company Pty Ltd.

Note 6. Loss on extinguishment of liability

	Consolidated	
	31 December 2017 $	31 December 2016 $
Loss before income tax from continuing operations includes the following specific expenses:		
Loss on extinguishment of liability	-	2,973,102

In July 2016 the consolidated entity entered into a deed of settlement in regards to the acquisition of Mt Holland and the deferred consideration payable. The share sale agreement dated 29 February 2016 stated that the deferred consideration of $1.5 million would be paid upon the dismissal of the forfeiture claims surrounding the Mt Holland assets in either cash of fully paid ordinary shares at a valued weighted average price (VWAP) 30 days prior to the date of the share sale agreement. As part of a renegotiation of the Capri debt (extension of term and reduction in interest charged) the deed of settlement signed in July 2016 amended the settlement terms whereby the consideration would be paid by way of fully paid ordinary shares. Therefore the loss recognised above represents the movement in the company's share price between 29 February 2016 and July 2016 multiplied by the number of shares to be issued upon dismissal of the forfeiture claims.

Note 7. Discontinued operations

Description

On 29 August 2016 the consolidated entity placed the Burbanks mine on care and maintenance, following expressions of interest to acquire the property from multiple parties. On 22 November 2016 consolidated entity signed a binding Heads of Agreement to sell the Burbanks gold mine for $4.5 million however subsequent to the end of the period on 6 March 2017 the consolidated entity announced that the sale was unlikely to proceed.

During the period the consolidated entity announced that it had completed the sale of 100% of the share capital in Coolgardie Mining Company Pty Ltd which holds the Burbanks gold mine. The consideration was consisted of $121,000 upfront and a royalty of $20 per Oz for the first 55,000 Oz’s sold from the Burbanks mine.

Financial performance information

	Consolidated	
	31 December 2017 $	31 December 2016 $
Revenue	-	788,388
Cost of sales	-	(2,754,949)
Total revenue	-	(1,966,561)
Other income	56,958	20,730
Depreciation and amortisation	(647)	(68,375)
Administrative expenses	(168,299)	(3,481)
Impairment of assets held for sale	-	(10,050,881)
Total expenses	(168,946)	(10,122,737)
Loss before income tax expense	(111,988)	(12,068,568)
Income tax expense	-	-
Loss after income tax expense from discontinued operations	(111,988)	(12,068,568)

Note 7. Discontinued operations (continued)

Cash flow information

	Consolidated	
	31 December 2017 $	**31 December 2016 $**
Net cash used in operating activities	(263,502)	(4,394,659)
Net cash from/(used in) investing activities	55,000	(1,373,139)
Net decrease in cash and cash equivalents from discontinued operations	(208,502)	(5,767,798)

Note 8. Current assets - trade and other receivables

	Consolidated	
	31 December 2017 $	**30 June 2017 $**
Other receivables	1,483,912	508,600
GST receivable	704,775	1,299,991
	2,188,687	1,808,591

Note 9. Non-current assets - exploration and evaluation

	Consolidated	
	31 December 2017 $	**30 June 2017 $**
Exploration and evaluation assets	15,755,205	22,139,941

Reconciliations
Reconciliations of the written down values at the beginning and end of the current financial half-year are set out below:

Consolidated	Exploration and evaluation $
Balance at 1 July 2017	22,139,941
Additions	1,032,247
Impairment of assets	(34,318)
Research and development tax incentive applied against exploration and evaluation expenditure	(853,545)
Sale of interest in Lithium rights – Mt Holland	(6,529,120)
Balance at 31 December 2017	15,755,205

Note 9. Non-current assets - exploration and evaluation (continued)

The recoverability of the carrying amount of the exploration and evaluation assets is dependent on the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

Between October 2015 and July 2016, Phoenix Rise Pty Ltd lodged 13 plaints objecting to exemption applications submitted by previous owners Convergent Minerals Ltd, and a further 27 applications for forfeiture over Mining and Exploration licences at the Mt Holland Gold and Lithium Project. Some of these licences have been relinquished thus making the current plaints; 12 and forfeiture applications; 18.

The consolidated entity has received legal advice and is of the view that the claim is opportunistic and without merit given the evidence demonstrates that the required expenditure was met. The consolidated entity expects that the Warden recommends to the Minister of Mines, IR and Safety for the exemptions to be granted and expects this legal action be concluded during 2018.

Converting note and treatment of Joint Venture

As funds were drawn down on the USD$21.5m converting note, these were recorded in the consolidated entity's accounts as a liability to SQM. Where funds drawn down were used for the purposes of exploring and evaluating the Mt Holland Lithium project, these amounts reduced the loan payable to SQM as they would be settled by deduction from the contribution SQM make to the Joint Venture ("JV"). Where funds drawn down were used for purposes other than exploring and evaluating the Mt Holland Lithium project, these amounts were expensed through consolidated entity's statement of profit or loss and other comprehensive income.

Upon settlement of the JV in December 2017, the amount of the loan drawn and used at Mt Holland was net against amounts SQM contributed to the JV.

Where funds had been used for purposes other than exploring and evaluating the Mt Holland asset, this amount of the loan was offset against the USD$5m paid to consolidated entity by SQM upon settlement of the JV.

At 31 December 2017, the liability to SQM had been extinguished and any amounts added to the statement of financial position of the consolidated entity using converting note funds had been transferred to the JV.

Farm-outs - exploration and evaluation phase

The consolidated entity does not record any expenditure made by the farmee on its account. It also does not recognise any gain or loss on its exploration and evaluation farm-out arrangements, but redesignates any costs previously capitalised in relation to the whole interest as relating to the partial interest retained. Any cash consideration received directly from the farmee is credited against costs previously capitalised in relation to the whole interest with any excess accounted for by the farmor as a gain on disposal.

Note 10. Current liabilities - Borrowings

	Consolidated	
	31 December 2017 $	**30 June 2017 $**
Loan from private financier	6,390,998	6,440,998
Loan from Sociedad Quimica y Minera de Chile S.A (SQM)	-	2,002,644
	6,390,998	8,443,642

Note 10. Current liabilities - Borrowings (continued)

During the 2016 financial year the consolidated entity signed a deed of settlement and release to amend the repayment date of the loan from private financier outstanding at 30 June 2016 (as noted above). Under the agreement the amount listed above is repayable on or before 1 May 2018.

The loan from Sociedad Quimica y Minera de Chile S.A (SQM) is a short term loan facility of US$1.5 million as part of the negotiations that resulted in the joint venture transaction announced as on 12 July 2017. On 21 December 2017, following satisfaction of the relevant conditions precedent, the consolidated entity sold 50% of its interest in tenements at Mt Holland and formally established an unincorporated Joint Venture to develop the Mt Holland Project. As a result of the cash flows on completion of the transaction, including SQM making its required joint venture contributions, the Convertible Loan Facility was settled in full.

Note 11. Equity - issued capital

	Consolidated			
	31 December 2017 No.	**30 June 2017 No.**	**31 December 2017 $**	**30 June 2017 $**
Ordinary shares - fully paid	350,141,436	333,331,373	63,554,926	58,013,355
Listed options at $0.15 Exp. 30 April 2018	47,453,487	47,453,487	-	-
	397,594,923	380,784,860	63,554,926	58,013,355

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$**
Balance	1 July 2017	333,331,373		58,013,355
Issue of shares to Capri Trading as deferred consideration for MH Gold Pty Ltd purchase	19 September 2017	14,810,063	$0.302	4,473,102
Exercise of options	5 October 2017	1,000,000	$0.4275	427,500
Exercise of options	24 October 2017	1,000,000	$0.4275	427,500
Transfer from option reserve upon the exercise of options		-	-	227,540
Capital raising costs		-	-	(14,071)
Balance	31 December 2017	350,141,436		63,554,926

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 11. Equity - issued capital (continued)

Capital risk management
The consolidated entity's objectives when managing capital are to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current parent entity's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

Note 12. Equity - other contributed equity

	Consolidated	
	31 December 2017 $	30 June 2017 $
Other contributed equity	-	4,473,102

The 'Other contributed equity' listed above represents the deferred consideration to be settled wholly by issuing ordinary shares for the Mt Holland acquisition upon the dismissal of the forfeiture claims pending. The valuation has been determined by multiplying the number of shares to be issued upon the settlement of the forfeiture claims multiplied by the fair value of the company's share price as at the date of the deed of settlement signed on 22 July 2016.

On 19 September 2017, 14,810,063 fully paid ordinary shares were issued to Capri Trading Pty Ltd as final payment of the Deferred Consideration for the purchase of Mt Holland in July 2016. The 'Other contributed equity' listed above has therefore been re-classified to issued capital upon the issue of the shares.

Note 13. Equity - reserves

	Consolidated	
	31 December 2017 $	30 June 2017 $
Share-based payments reserve	227,541	455,081

Share-based payments reserve
The reserve is used to recognise the value of equity benefits provided to employees and Directors as part of their remuneration, and other parties as part of their compensation for services.

Note 13. Equity - reserves (continued)

Movements in reserves
Movements in each class of reserve during the current financial half-year are set out below:

Consolidated	Share-based payments $
Balance at 1 July 2017	455,081
Transfer from share based payments reserve upon the exercise of options	(227,540)
Balance at 31 December 2017	227,541

Note 14. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial half-year.

Note 15. Contingent liabilities

There were no other contingent liabilities at 31 December 2017 and 30 June 2017.

Note 16. Commitments

	Consolidated	
	31 December 2017 $	30 June 2017 $
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	74,000	74,000
One to five years	80,167	117,167
	154,167	191,167
Exploration and evaluation		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	266,318	355,083
One to five years	716,123	831,122
	982,441	1,186,205

Note 17. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

		Ownership interest	
		31 December	30 June
	Principal place of business /	2017	2017
Name	Country of incorporation	%	%
Crowl Creek Exploration Limited	Australia	100.00%	100.00%
Casey Exploration Pty Ltd	Australia	100.00%	100.00%
Kidman Barrow Creek Pty Ltd	Australia	100.00%	100.00%
Kidman Mining Pty Ltd	Australia	100.00%	100.00%
Coolgardie Mining Company Pty Ltd *	Australia	-	100.00%
MH Gold Pty Ltd	Australia	100.00%	100.00%

* On 20 December 2017, the consolidated entity announced that it had completed the sale of Coolgardie Mining Company Pty Ltd.

Note 18. Events after the reporting period

On 9 January 2018, the consolidated entity announced that it had entered into an agreement to sell 100% of its Crowl Creek project for $250,000.

No other matter or circumstance has arisen since 31 December 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 19. Earnings per share

	Consolidated	
	31 December 2017 $	31 December 2016 $
Earnings per share for loss from continuing operations		
Loss after income tax attributable to the owners of Kidman Resources Limited	(2,702,397)	(9,017,511)
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	342,464,180	287,829,262
Weighted average number of ordinary shares used in calculating diluted earnings per share	342,464,180	287,829,262
	Cents	**Cents**
Basic earnings per share	(0.79)	(3.13)
Diluted earnings per share	(0.79)	(3.13)

	Consolidated	
	31 December 2017 $	31 December 2016 $
Earnings per share for loss from discontinued operations		
Loss after income tax attributable to the owners of Kidman Resources Limited	(111,988)	(12,068,568)

Note 19. Earnings per share (continued)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	342,464,180	287,829,262
Weighted average number of ordinary shares used in calculating diluted earnings per share	342,464,180	287,829,262

	Cents	Cents
Basic earnings per share	(0.03)	(4.19)
Diluted earnings per share	(0.03)	(4.19)

	Consolidated	
	31 December 2017 $	31 December 2016 $
Earnings per share for loss		
Loss after income tax attributable to the owners of Kidman Resources Limited	(2,814,385)	(21,086,079)

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	342,464,180	287,829,262
Weighted average number of ordinary shares used in calculating diluted earnings per share	342,464,180	287,829,262

	Cents	Cents
Basic earnings per share	(0.82)	(7.33)
Diluted earnings per share	(0.82)	(7.33)

Note 20. Share-based payments

During the period there were no equity instruments granted as share based payments.

Set out below are summaries of performance rights granted to employees of the consolidated entity to date:

31 December 2016

Grant date	Expiry date	Exercise price	Balance at the start of the half-year	Granted	Vested	Expired/ forfeited/ other	Balance at the end of the half-year
24/11/2014	10/10/2016	$0.20	500,000	-	(500,000)	-	-
24/11/2014	10/10/2017	$0.30	750,000	-	(750,000)	-	-
24/11/2014	10/10/2017	$0.40	1,000,000	-	(1,000,000)	-	-
21/07/2016	30/06/2019	$0.40	-	450,000	(450,000)	-	-
25/08/2016	30/09/2017	$0.40	-	1,000,000	(1,000,000)	-	-
			2,250,000	1,450,000	(3,700,000)	-	-

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2017 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

Mr G John Pizzey
Chairman

14 March 2018
Melbourne

Collins Square, Tower 1
727 Collins Street
Docklands Victoria 3008

Correspondence to:
GPO Box 4736
Melbourne Victoria 3001

T +61 3 8320 2222
F +61 3 8320 2200
E info.vic@au.gt.com
W www.grantthornton.com.au

Independent Auditor's Review Report to the Members of Kidman Resources Limited

Conclusion

We have reviewed the accompanying half year financial report of Kidman Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Kidman Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a* Financial *Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Kidman Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001.*

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

B L Taylor
Partner - Audit & Assurance

Melbourne, 14 March 2018