

31 August 2017

ASX Release

Kidman Resources Limited
ABN 88 143 526 096

Lake Johnston processing option lapses following the agreement with SQM

Corporate Details:

ASX Code: KDR

Issued capital:

333.3M ordinary shares
47.45 listed options (KDRO)

Substantial Shareholders:

Capri Holdings (9.75%)
Western Areas (5.2%)

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

Contact Details:

Kidman Resources Limited
Level 7,
24-28 Collins Street
Melbourne
Victoria 3000
Australia

Tel: +61 (0)3 9671 3801
Fax: +61 (0)3 9671 3523

Email:
info@kidmanresources.com.au

Website:
www.kidmanresources.com.au

Kidman Resources Limited (**ASX: KDR, “the Company”**) advises that its option agreement with Poseidon Nickel Limited (**ASX: POS, “Poseidon”**), to lease the Lake Johnston plant for its Mt Holland Lithium Project (**“the Project”**), has been allowed to lapse. This outcome follows an agreement with Sociedad Quimica y Minera de Chili S.A. (**SQM**), announced on 12 July 2017, whereby both companies will jointly pursue a standalone processing operation at the mine site located on the Forrestania Greenstone Belt, near Southern Cross in Western Australia.

Subsequent to entering into the Lake Johnston option in November 2016, Kidman announced a landmark US\$110 million agreement with leading global lithium chemical producer SQM to form a 50:50 joint venture to build and operate the world class Mt Holland lithium mine and processing operation. In addition, the agreement allowed for the development a downstream lithium refining facility in Western Australia (refer to Kidman’s ASX announcement on 12 July 2017 for further details).

Kidman Managing Director, Martin Donohue, said the original option agreement to potentially adapt the Lake Johnston plant for the processing of ore from the Project, offered the Company a potential fast-track route to producing a saleable spodumene concentrate, at the time when Kidman was still considering go-it-alone development options.

“We are very pleased to have since attracted a globally significant operator in the battery chemical space, in SQM, to partner with us on favourable terms for our shareholders in the construction of a large open pit lithium mining and fit-for-purpose scalable concentrating operation at Mt Holland. Adding to our excitement of working with SQM, is the Company’s ability to equity participate (50/50) in the construction and operation of a downstream refining facility in Western Australia designed to produce both high margin Lithium Carbonate or Hydroxide, depending on the ultimate requirements of end user battery manufacturers.”

“We also acknowledge at this time the early engagement and excellent working relationship with Poseidon, and wish them well for their project aspirations,” Mr Donohue said.

**Media Contact:
Cannings Purple**

Warrick Hazeldine
0417 944 616
whazeldine@canningspurple.com.au

Michael Cairnduff
0406 775 241
mcairnduff@canningspurple.com.au