March 31, 2016 **ASX Release**

Kidman Resources Limited
ABN 88 143 526 096

Corporate Details:
ASX Code: KDR

Issued capital:
177.95M ordinary shares

Substantial Shareholders:
Capri 22.7m (12.78%)
Holdex Nominees 11.3m (6.35%)
Acorn Capital 10.0m (5.62%)

Directors:
Non-Executive Chairman:
Peter Lester
Managing Director:
Martin Donohue
Non-Executive Director:
Brad Evans

Chief Operating Officer (COO):
Tony Davis

Chief Financial Officer (CFO):
Melanie Leydin

Company Secretary:
Justin Mouchacca

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Kidman sells Gunga West gold project for up to $2.5m

Proceeds will be combined with those from the current $6.5m capital raising to help fund Kidman's plan to upgrade production at the Burbanks gold mine and develop its ~1Moz Mt Holland goldfield

Kidman Resources Limited (ASX: KDR) is pleased to announce that it has signed a binding heads of agreement to sell its Gunga West gold project near Kalgoorlie to Metals X Limited (ASX: MLX) for up to $2.5 million.

The deal comprises $1.5 million in cash, a further payment of $500,000 upon production of 10,000oz at Gunga West and a final payment of $500,000 upon production of 30,000 oz.

Gunga West hosts a Resource of 73,000oz at 1.7gpt (see ASX Announcement dated November 10, 2105). However, the recent agreement to acquire the ~1 million oz Mt Holland goldfield for $3.5m combined with strong exploration results and development progress being made at Kidman's nearby Burbanks mine means Gunga West has effectively been classed as a non-core asset for Kidman.

Kidman is currently working towards a lift in production at Burbanks and also to upgrade the existing 99,000-ounce Resource to underpin a multi-year mine life (see ASX Announcement dated August 25, 2015).

Kidman is in the process of finalising the $3.5 million purchase of Mt Holland and is planning an extensive drilling campaign to grow the high-grade Resource and update an existing pre-feasibility study.

The proceeds of the Gunga West sale will be combined with those from Kidman's current $6.5 million capital raising (see ASX Announcement dated March 4, 2016), giving the Company substantial cash to underpin its production strategies at Burbanks and Mt Holland.

Mt Holland contains multiple deposits, including the flagship Blue Vein deposit, which is widely considered an analogue to the highly successful Bounty mine.

Bounty is located immediately adjacent to Blue Vein and is on the same geological structure. Blue Vein has a JORC Resource of 208,000oz at 6.7 gpt at a 3gpt cut off. *(See KDR ASX Announcement 18th December 2015).*

A pre-feasibility study completed by the previous owner found Blue Vein could generate free operating cashflow of $23 million based on a A$1400/oz gold price and total production of 43,000oz over an initial three-year period.

The ore body at Blue Vein remains open at depth and Kidman is already designing a drilling program aimed at upgrading the resource category and growing the inventory. The revised Resource estimate will then be used to underpin a Feasibility Study. All other tenements within the entire Mt Holland project have also been subject to geological analysis with a view to field work commencing shortly across the entire tenement package.

Kidman Background

Kidman is a diversified resource company currently in production at the Burbanks Gold Mine near Coolgardie in WA, production commenced in the September quarter of 2015.

Kidman has also entered into a Binding Agreement to acquire the 1moz Mt Holland gold field near Southern Cross in WA. The company intends to upgrade the existing gold resource at Mt Holland, followed by an update to the feasibility study with a view to commencing plant construction in early 2017.

Kidman also owns advanced exploration projects in the Northern Territory (Home of Bullion – Cu, Au, Pb, Zn, Ag/ Prospect D - Ni, Cu) and New South Wales.

In New South Wales the company has the Crowl Creek Project which is host to numerous projects such as Murrays (Au) Blind Calf (Cu, Au) and Three Peaks (Cu, Pb, Ag).

The company also owns the Brown's Reef project in the southern part of the Cobar Basin (Zn, Pb, Ag, and Cu)

For further information on the Company's portfolio of projects please refer to the website at:
www.kidmanresources.com.au

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