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**KIDMAN**  
RESOURCES



# Earl Grey – A World Class Lithium Deposit

December 2016

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## Competent Person Statements

The Information contained within this public announcement is extracted from the report entitled Convergent Minerals Limited Annual Report to Shareholders created on 30/09/2014 and is available to view on the ASX website. The Competent person responsible for the information contained within this report is Mr. Robin Rankin MSc DIC MAusIMM(CP). The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The Information contained within this public announcement is extracted from the report entitled Convergent Minerals Limited Presentation for Resources Symposium Broken Hill 2015 created on 26/05/2015 and is available to view on the ASX website. The Competent person responsible for the information contained within this report is Mr. David Price FAusIMM. The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

## Exploration: 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 L Sawyer M.App.Sc. Mr Sawyer is not an employee of the company, but is employed by Geos Mining as a contract consultant. Mr Sawyer is a member of the Australian Institute of Geoscientists, 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 Sawyer 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 release 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.

## 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 document 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.

# INVESTMENT HIGHLIGHTS



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High grade lithium discovery to **Tier-1 Lithium Resource** in less than 5 Months

Over 16,800 meters of drilling completed since mid-July to produce a JORC Mineral Resource:

**128 Million Tonnes at 1.44% Li<sub>2</sub>O for 4.54Mt Lithium Carbonate Equivalent (LCE)**

(refer ASX Announcement 5 December 2016)

Significant potential for further growth in resources:

- High grade lithium intersected 600m north of current resource boundary
- **Exploration Target of 75 -100 Million Tonnes at 1.3 -1.5% Li<sub>2</sub>O**

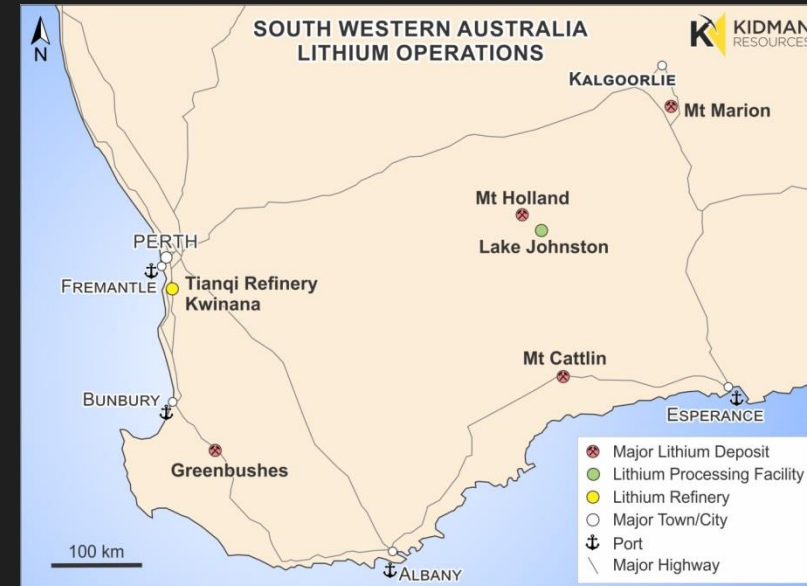
*\* The Exploration Target potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a mineral resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the "Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve*

Potential for fast-track route to development:

- Granted Mining Lease
- Extensive infrastructure already in place
- Exclusive option to process through Poseidon Nickel's Lake Johnston 1.5Mtpa facility

Metallurgical and Engineering studies are underway, forming basis of Feasibility study due for completion in early 2017

- Mt Holland Gold Project offers large leverage to gold, and will be pursued in parallel
- **Enterprise Value of <\$120M** offers significant potential for re-rating towards peer valuations
- Strong cash position to continue aggressive push into early development a Early Grey



# CORPORATE OVERVIEW



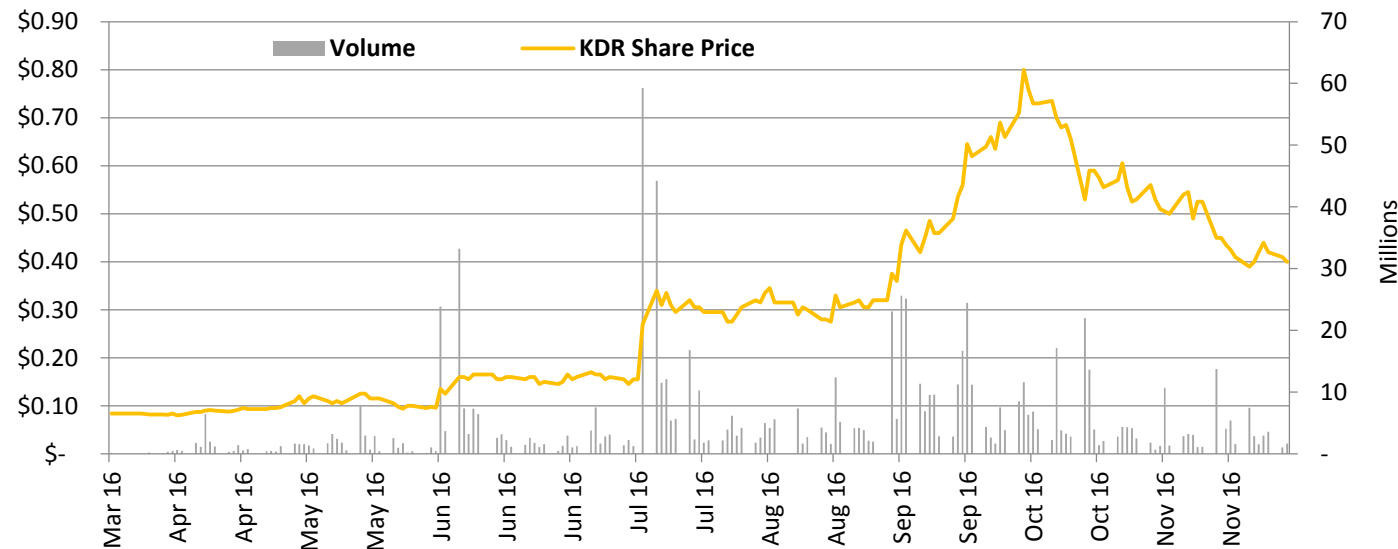
## Capital Structure

Shares on issue (KDR)	315.95m
Options on issue (KDRO)	47.45m (15c exercise price, 30/4/18)
Share Price	\$0.40
<b>Market Capitalisation</b>	<b>\$126 million</b>
Cash (Sept 2016)	\$17 million
Debt <sup>1</sup> (30 June 2016)	\$7.3 million

<sup>1</sup> \$1 million repayable on or before 1 May 2017, with the balance of \$6.3 million on or before 1 May 2018. Flat interest charge of \$100,000 due upon repayment in 2018.

## Directors & Key Management

Peter Lester	Chairman, Non-Executive Director
Martin Donohue	Managing Director
Brad Evans	Non-Executive Director
Chris Williams	General Manager - Operations
Michael Green	Exploration Manager
Jason Eveleigh	Chief Financial Officer
Justin Mouchacca	Company Secretary



## Substantial Shareholders

Capri Holdings	10.29%
Acorn Capital	5.88%

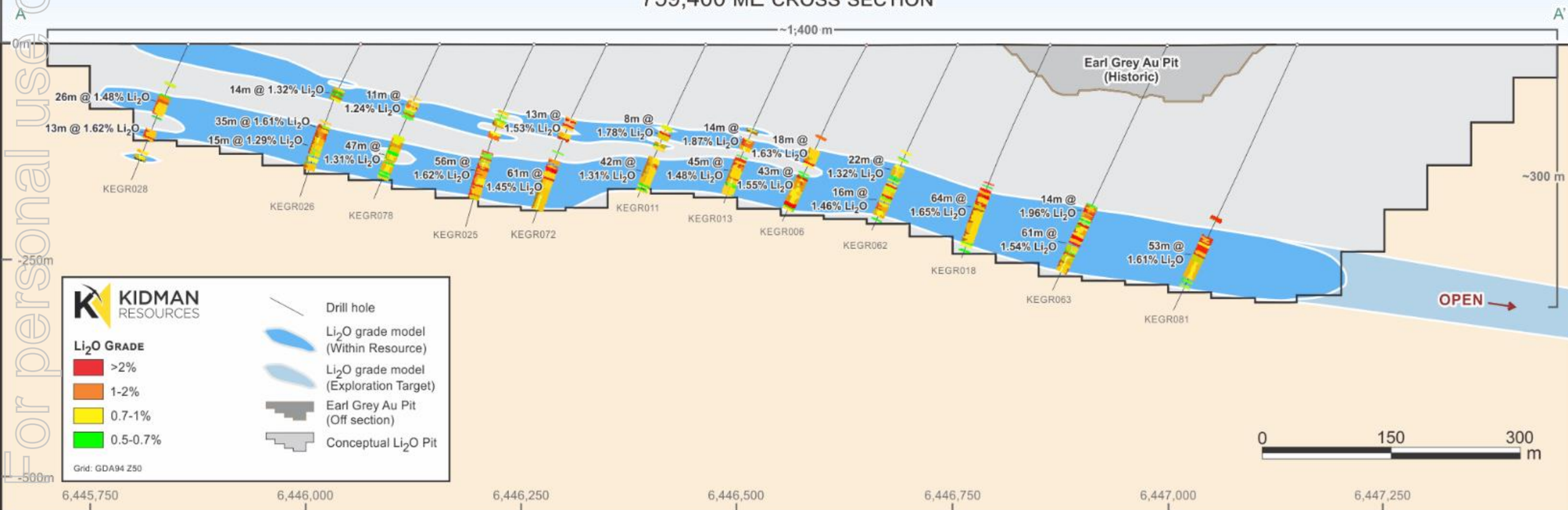
# EARL GREY LITHIUM DEPOSIT

1,400m long, and Still Growing!



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## EARL GREY LITHIUM DEPOSIT MODELED MINERALISATION AND CONCEPTUAL PIT DESIGN 759,400 ME CROSS SECTION



# MAIDEN JORC RESOURCE



**High Grade, Flat Lying, Large Hardrock Lithium – Comparable to Australia’s largest producing mines**

Mineral Resource Estimate for the Earl Grey Deposit - December, 2016										
Domain	Li <sub>2</sub> O Cut-Off	Indicated			Inferred			Indicated and Inferred		
		Tonnes	Li <sub>2</sub> O%	Li <sub>2</sub> O Tonnes	Tonnes	Li <sub>2</sub> O%	Li <sub>2</sub> O Tonnes	Tonnes	Li <sub>2</sub> O%	Li <sub>2</sub> O Tonnes
HW lode	0.5%	-	-	-	7,700,000	1.40	108,000	<b>7,700,000</b>	<b>1.40</b>	<b>108,000</b>
Main lode	0.5%	78,500,000	1.44	1,130,000	35,000,000	1.46	512,000	<b>113,500,000</b>	<b>1.45</b>	<b>1,642,000</b>
FW Lode	0.5%	-	-	-	6,800,000	1.32	90,000	<b>6,800,000</b>	<b>1.32</b>	<b>90,000</b>
<b>Total</b>		<b>78,500,000</b>	<b>1.44</b>	<b>1,130,000</b>	<b>49,500,000</b>	<b>1.43</b>	<b>709,000</b>	<b>128,000,000</b>	<b>1.44</b>	<b>1,839,000</b>

The preceding statements of Mineral Resources conforms to the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code) 2012 Edition. All tonnages reported are dry metric tonnes. Minor discrepancies may occur due to rounding to appropriate significant figures.

Maiden JORC Resource delivers 128 Million Tonnes at 1.44% Li<sub>2</sub>O

4.54 Million Tonnes contained lithium carbonate equivalent

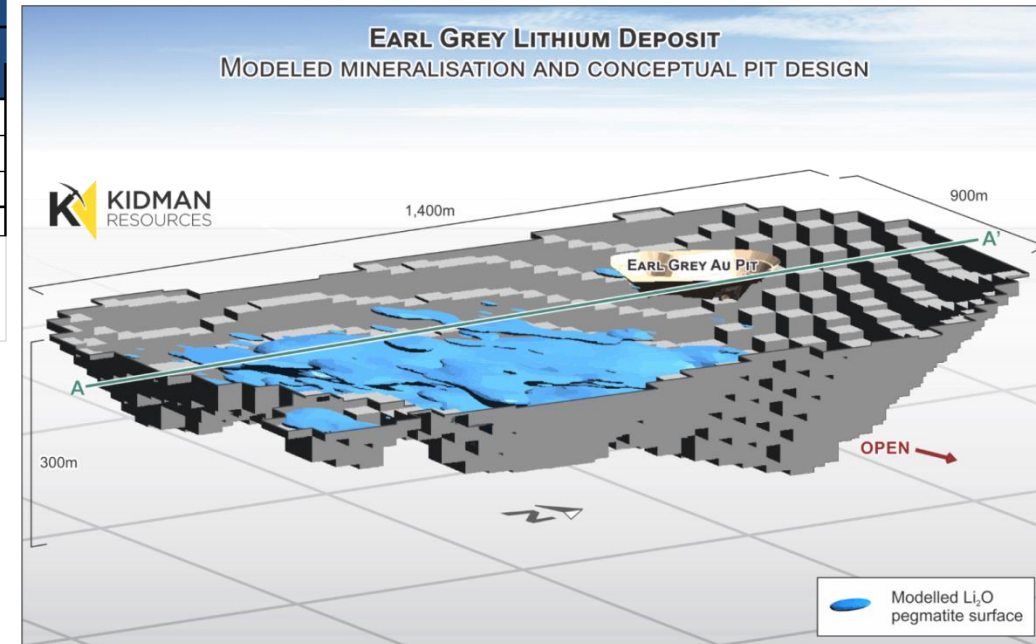
Likely to underpin a long life open pit mining operation

Flat lying geometry

Average thickness 70m and consistent high grade

- High confidence Resources with +61% in the Indicated category

- 128 Million Tonnes at Earl Grey is just the beginning...



# EARL GREY IS JUST THE BEGINNING



## Significant Upside Remains

### Exploration Target of 75 – 100 million tonnes @ 1.3% - 1.5% Li<sub>2</sub>O

<sup>^</sup> The Exploration Target potential quantities and grades are conceptual in nature and there has been insufficient exploration to date to define a mineral resource. It is not certain that further exploration will result in the determination of a Mineral Resource under the "Australian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves, the JORC Code" (JORC 2012). The Exploration Target is not being reported as part of any Mineral Resource or Ore Reserve

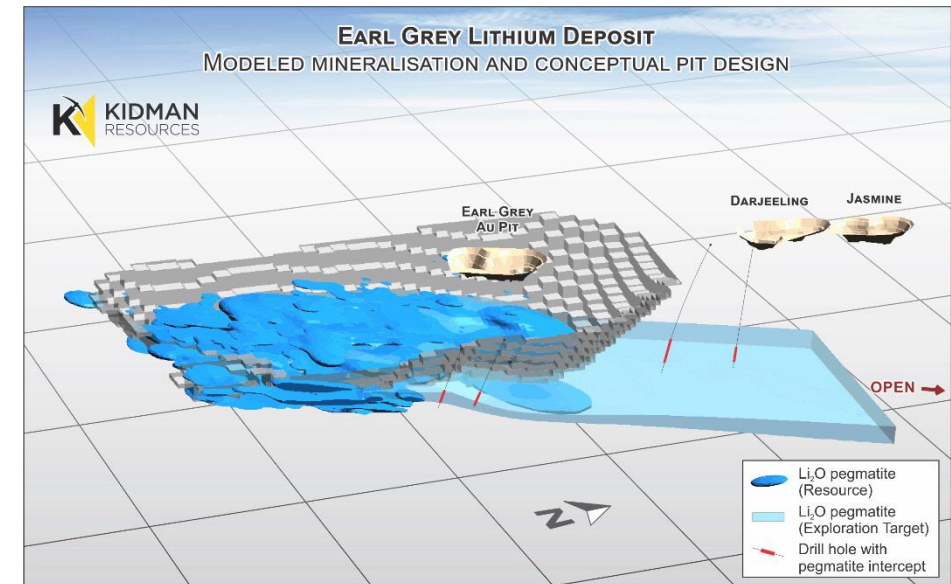
Next phase of drilling planned for Earl Grey designed to target:

- Pegmatite body beneath the historic Earl Grey Gold deposit waste dump
- Down-dip extent of the pegmatite

Drilling will continue for the remainder of 2016 and into 2017

Current Resource reflects Earl Grey deposit only

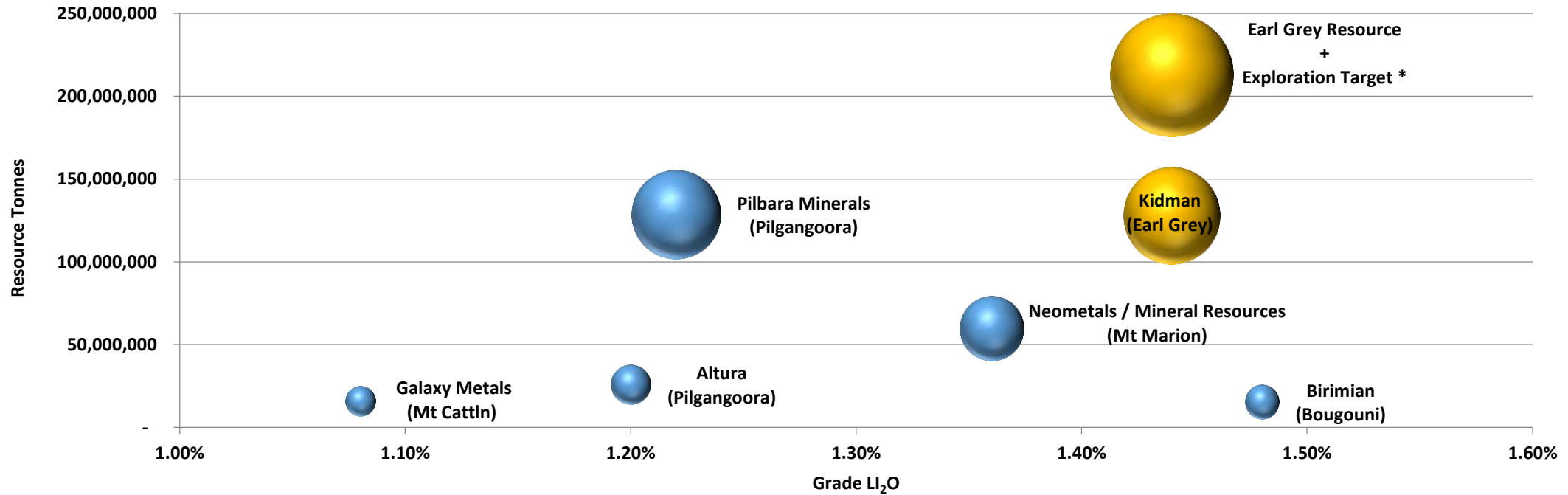
Many other prospective pegmatite's within Mt Holland tenements yet to be tested, including Prince of Wales and Texas.



# A WORLD CLASS LITHIUM PROJECT



## ASX Hard-rock Lithium Resources – Earl Grey is a Tier-1 Project



## Strong share price re-rating expected as Kidman advances towards development

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# EXISTING INFRASTRUCTURE AND PERMITTING



## Granted Mining Leases

Existing haulage roads, public road, airstrip & tailings storage facility

Existing site office and staff accommodation including all amenities in place

Western Power mains electricity located on site

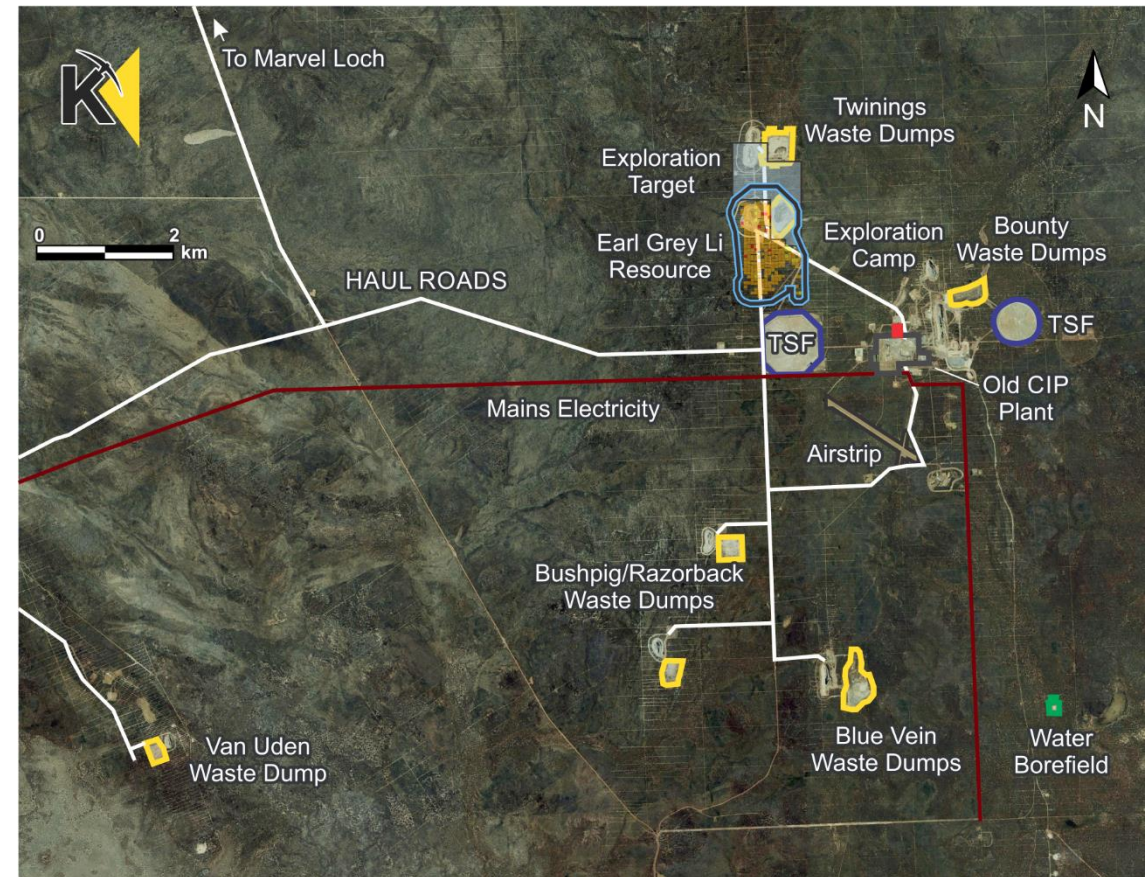
Water sourced from the flooded Bounty underground mine and existing borefield

Communications facilities

Cleared ROM pad area (sufficient for stockpile and haulage loading)

This equates to shorter lead times and capital costs to production

Exclusive option with Poseidon Nickel Ltd to utilise Lake Johnston 1.5Mtpa processing facility



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# EARL GREY

*A Simple, Low Risk Mine*



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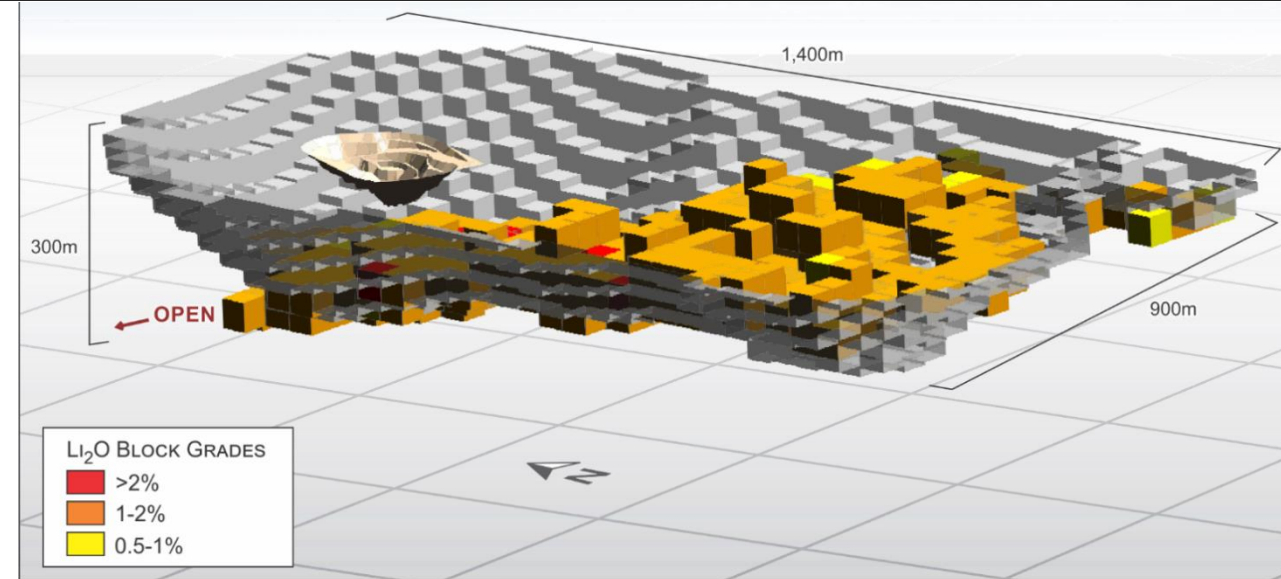
## The Makings of a High Margin Mine

- ✓ Mineralisation starts from surface at the southern end of the deposit
- ✓ Earl Grey is high grade deposit (1.44%  $\text{Li}_2\text{O}$ )
- ✓ Low cost, open pit bulk mining
- ✓ Flat lying geometry
- ✓ Average thickness of 70 metres
- ✓ Large scale, and significant exploration upside
- ✓ Twining's Gold JORC resource sits above northern portion of deposit and Exploration target

## Multiple Development Options

Earl Grey offers short timeframe and lower capital cost to development:

- ✓ Situated on granted Mining Leases
- ✓ Significant site infrastructure already in place
- ✓ Exclusive option in place to utilise Poseidon Nickel's Lake Johnston 1.5Mtpa processing facility
- ✓ Engineering studies underway on Lake Johnston re start



**Above:** Li<sub>2</sub>O grade block model and pit design

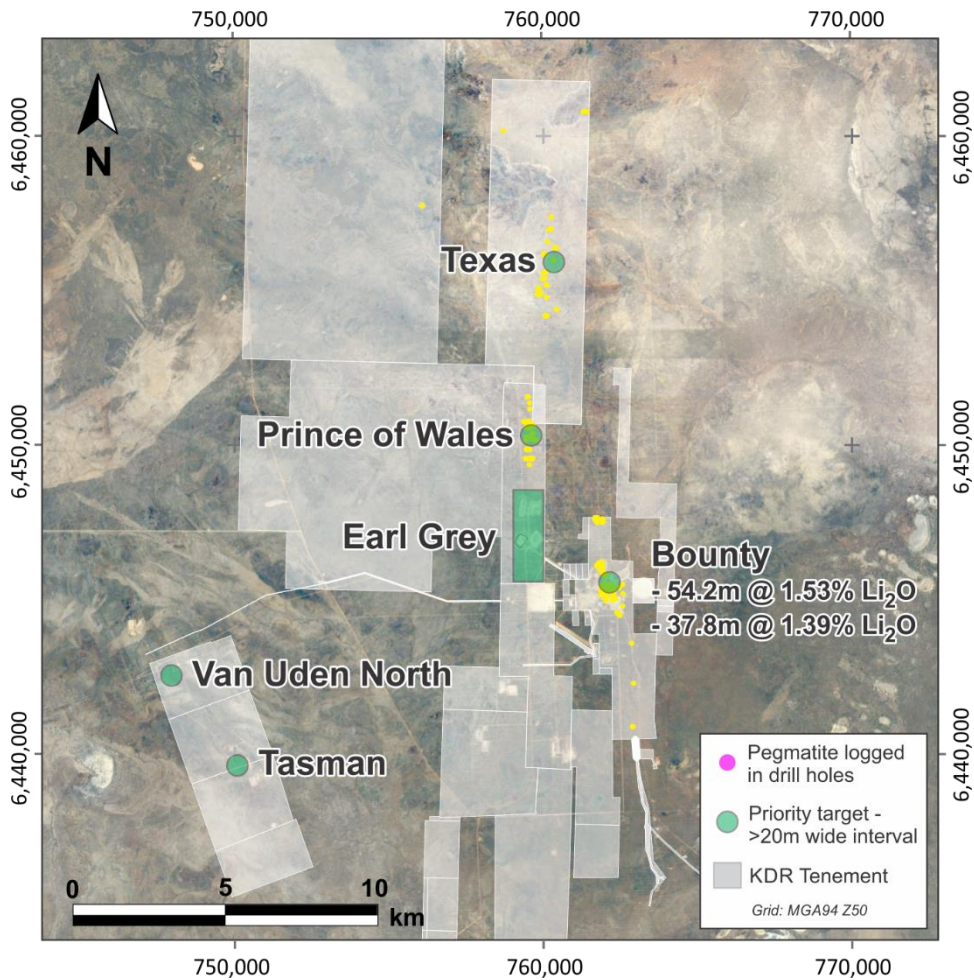


**Right:** The 1.5Mtpa Lake Johnston Processing Facility. Kidman has an exclusive option to utilise this plant for 3+2 years from Poseidon.

# REGIONAL LITHIUM TARGETS



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- Numerous intercepts from historic drilling indicating presence of pegmatite throughout Kidman's tenements
- Historic drill core from the Bounty mine area has yielded significant high grade lithium results:
  - 54.2m @ 1.53% Li<sub>2</sub>O\*
  - 37.8m @ 1.39% Li<sub>2</sub>O\*
- Distribution of pegmatite and lithium grades indicates potential for a large lithium-enriched pegmatite field at Mt Holland
- Several >20m intercepts throughout the region to be followed up with additional exploration work

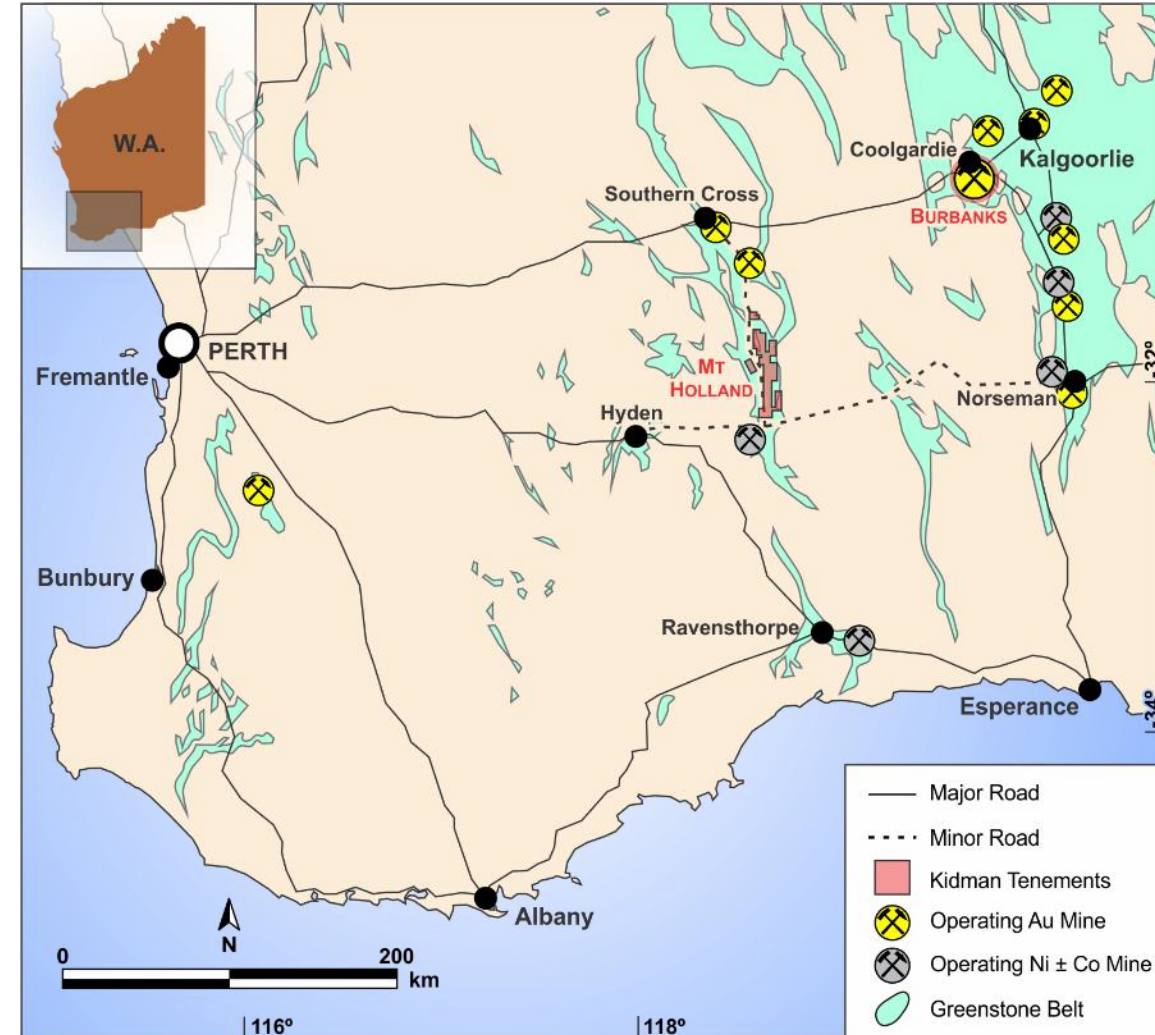
\* Refer to KDR ASX release dated June 2<sup>nd</sup> 2016

# MT HOLLAND GOLD PROJECT



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- Extensive existing infrastructure and gold endowment (refer ASX release Dec 18<sup>th</sup> 2015 for details)
- Near-term development potential from Blue Vein, Van Uden, and Twinings open pits
- Located on the Forrestania Greenstone Belt (50km of strike) , south and adjacent to Hanking Gold's Southern Cross operations (4.6Moz resource inventory)
- Considerable potential to grow scale through aggressive exploration program in the broader Mt Holland tenements
- Fully permitted with granted Mining Leases
- High grade gold potential at depth at several historical open pits within the Mt Holland Gold Project
- Aggressive drilling programs planned to delineate further resources, and to test depth potential
- Currently drilling Blue Vein deposit aiming to increase size and Resource category



# FORWARD PROGRAM



## Strong News flow from Lithium and Gold at Mt Holland

<b>Mt Holland Lithium Project</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>	<b>Q4 2017</b>
Resource drilling	✓			
Exploration drilling	✓	✓		
Preliminary metallurgical results	✓			
Preliminary engineering studies	✓			
Feasibility Study		✓	✓	
Resource Upgrade		✓		
<b>Mt Holland Gold Project</b>	<b>Q1 2017</b>	<b>Q2 2017</b>	<b>Q3 2017</b>	<b>Q4 2017</b>
Resource Drilling	✓			
Exploration drilling	✓	✓		

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- Potential for fast-tracked route to development:

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- Metallurgical and Engineering studies are underway, forming basis of Feasibility study due for completion in early 2017

- Mt Holland Gold Project offers large leverage to gold, and will be pursued in parallel

- **Enterprise Value of <\$120M** offers significant potential for re-rating towards peer valuations
- Strong cash position to continue fast-tracking towards early development at Earl Grey
- Strong news flow to come throughout 2017 from both gold and lithium developments being pursued at our Mt Holland Project

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