

## ASX Release

30 January 2012

**Kidman Resources Limited (ASX: KDR) is an Australian listed company focused on the exploration and development of its Base Metal and Rare Earths discoveries in New South Wales and the Northern Territory.**

**ASX Codes:**

**KDR** – Ordinary Shares  
**KDRO** – Listed Options

**Market Cap:**

\$11.75m @ \$0.24 per share  
(27/01/2012)

**Projects:**

Crowl Creek (100%) –  
Copper/Silver/Gold /Lead/Zinc  
– Lachlan Fold Belt, Central NSW

Hale River (100%) – Rare Earths  
– Alice Springs NT

**Investment Highlights:**

- 23m @7.07% Cu from 24m at Blind Calf NSW prospect
- Multiple Copper lodes identified at Blind Calf prospect open at depth
- Diamond drilling to test strong IP targets beneath Blind Calf
- Hale River rock chip sampling yielded up to 1.66% REO
- Drilling to commence at Hale River to test REO

**Issued Capital:**

48,960,884 ordinary shares  
10,601,252 listed options (20c Nov 2013)

**Directors:**

Garrick Higgins – Non Exec Chairman  
Shane Mele – Executive Director  
Andrew McIlwain- Non Exec Director

**Company Secretary:**

Melanie Leydin

**Principal Place of Business**

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## December 2011 Quarterly Activities Report

### Highlights:

- High Grade Copper mineralization extended down plunge at Blind Calf including 5m @ 5.1 % Cu
- Discovery of new high grade eastern Copper lense at Blind Calf ( Thomas Lense )
- New Copper Discovery at Wilmatha prospect adjacent to Blind Calf including 3m @ 1.3% Cu
- Strong IP targets identified at Blind Calf
- Raised \$1.46 million via a placement to fund an initial deep diamond drilling program at Blind Calf
- Appointed Mr Andrew McIlwain as a Non Executive Director of the company

### About Kidman Resources Limited

Kidman has 100% ownership of 9 tenements covering 790 km<sup>2</sup> in NSW and NT. The Company has 6 tenements and a tenement application in the Lachlan Fold Belt in NSW. This region is host to a number of major successful gold and base metal mining operations, including Mineral Hill, Northparkes, Tottenham, CSA Mine and the Peak Mine.

Kidman also has 100% ownership of 2 Tenements in NT. Initial exploration has identified significant Rare Earth and Copper mineralisation.

## **CORPORATE:**

During the quarter the company raised \$1,468,751 before costs via a private placement by issuing 6,385,876 new fully paid ordinary shares at an issue price of \$0.23.

Kidman now has \$3M cash as at the start of the next quarter to accelerate exploration at the Blind Calf prospect in NSW, where a diamond drilling program will commence in January 2011, and for working capital purposes.

Patersons Securities was Lead Manager to the Placement, with shares being allocated to a mix of new and existing institutions and sophisticated and professional investors. The shares were issued utilising the Company's 15% placement capacity under Listing Rule 7.1 and is an excluded issue under Section 708 of the Corporations Act. Shareholders will be asked to ratify the Placement at a general meeting of shareholders to be held in due course.

The Company will release an Appendix 3B and a notice in accordance with section 708A(5)(e) of the Corporations Act 2001 following completion of the issue. The result was the number of Ordinary Shares on issue increased during the quarter to 48,960,884.

Also, during the quarter the company made several board changes with the appointment of Mr Andrew McIlwain as a Non-Executive Director. Andrew has 25 years experience in the mining and resources industry with expertise in corporate development and management, strategic planning, asset acquisitions, corporate finance, project development and stakeholder relations. Andrew has worked in management capacities at MIM Holdings (Mt Isa Operations), WMC Ltd and Lafayette Mining Ltd. Andrew's previous Board positions include his non-executive Chairmanship on the Board of ASX listed companies, Tusker Gold Ltd and Windy Knob Resources Ltd. Andrew is currently the Managing Director and CEO of Unity Mining and is also non-executive Chairman of ASX Listed companies Emmerson Resources Ltd, and Verus Investments Ltd. Andrew's involvement in varied projects has also provided him with experience in international projects and transactions in Canada, Peru, Ecuador, Columbia, the Philippines, Uzbekistan, Spain and Brazil.

The board would also like to thank Mr Nicolas Revell who resigned during the quarter as a Director of the Company following the Company's Annual General Meeting. The Board would like to thank Mr Revell for his extensive contributions to the Board and to the early success of the Company. His resignation has been a result of other work commitments and the Board wishes him well in his future endeavours.

## **HUMAN RESOURCES:**

Kidman are pleased to welcome the appointment of Daniel Halas, an exploration geologist with over 7 years' experience, to the developing Kidman team. Daniel has previously worked for Cobar Management (CSA Mine) and Minerals and Metals Group (MMG) in the Cobar area and has a firm understanding of Cobar style deposits and the regional geology. Daniel agreed to join Kidman during the quarter and is currently involved in our diamond drilling program underway at Blind Calf.

**PROJECTS:**

**1) BLIND CALF PROJECT EL7537 - CENTRAL NSW**

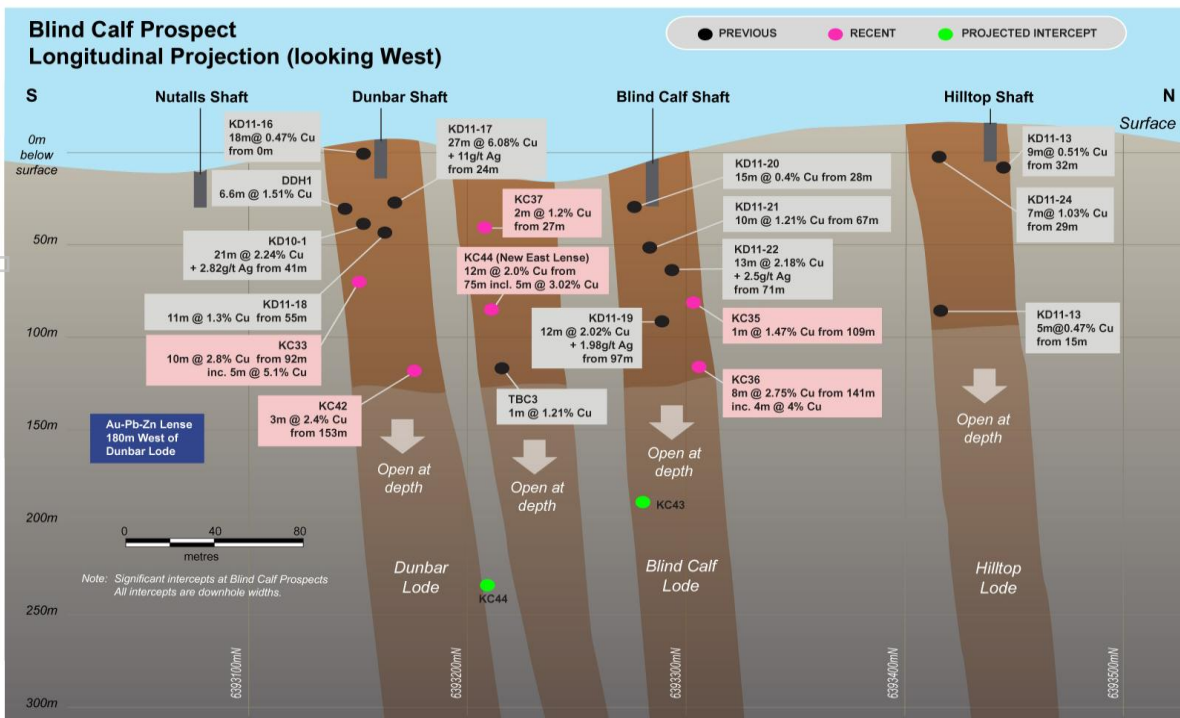
**HIGHLIGHTS:**

- High Grade Copper Mineralization extended down plunge with results including
- 10m @ 2.80% Cu from 92m (KC33) including 5m @ 5.1% Cu
- 8m @ 2.75% Cu from 141m (KC36) including 4m @ 4.0% Cu
- Discovery of significant new high grade eastern Copper lense 80m east of Dunbar lense. Results include
- 12m @ 2.00% Cu from 75m (KC44) including 5m @ 3.02% Cu
- Strong chargeability anomalies identified directly beneath known copper lenses suggesting much better targets at depth
- Corridor of other “Blind” IP targets identified to the northwest and southeast
- New high priority drill targets now confirmed for upcoming diamond drilling program in January

In early October the company undertook a 2000m RC drilling program at Blind Calf to test beneath the high grade copper intersected from earlier drilling.

The results of this program were very successful and copper mineralization was extended down plunge to a depth of approximately 150m below surface. Furthermore, a new high grade copper lense was discovered approximately 80m east of the previously reported Dunbar lense.

Two deeper drillholes from this program, KC43 and KC44, didn't follow the expected trajectory and ended short of the projected extension of the Copper lode. These holes will be extended with short diamond drill tails in the next drill program to confirm downward continuation of the lodes.



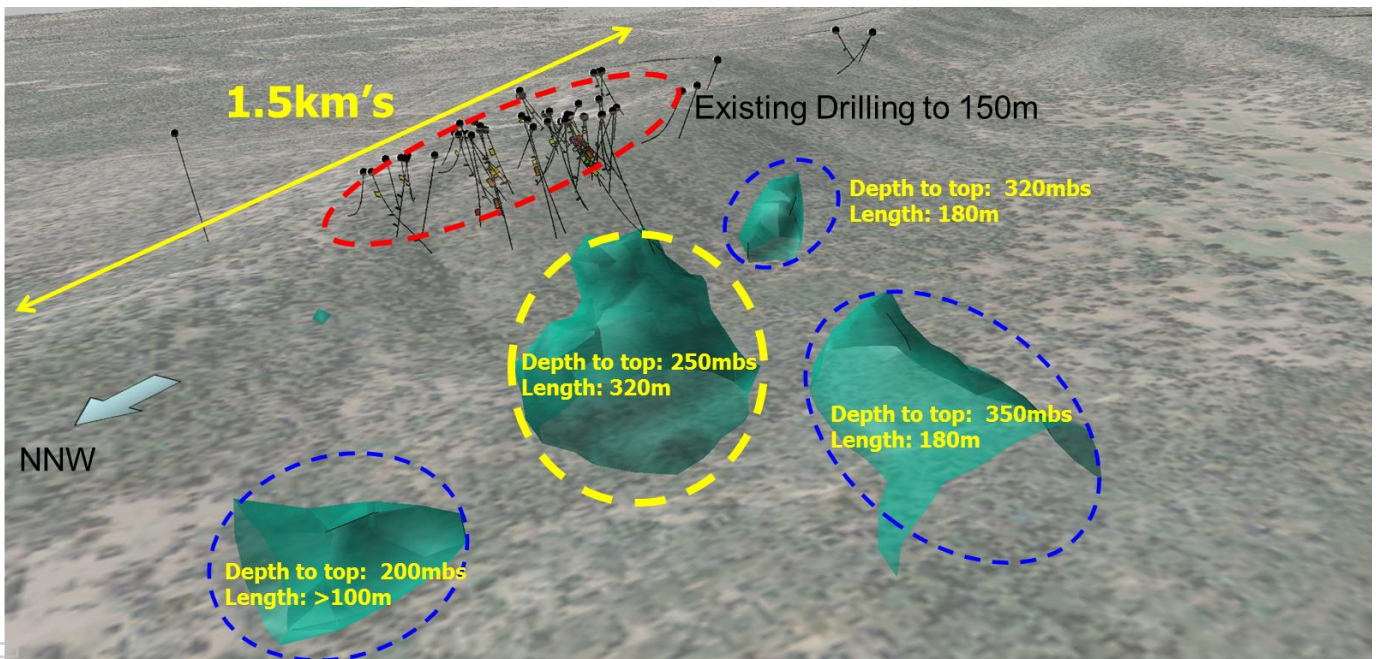
**Figure 1: Long Section – Blind Calf Prospect with best drillhole intercepts**

The drill results from this program provided further confirmation that the mineralization at Blind Calf displays features that are consistent with major Cobar style deposits. These deposits are typically high grade (>4% Cu) lenses with narrow width and strong vertical plunge lengths often exceeding 1km.

Also, during the quarter, the company engaged the services of consulting geophysicist Kim Francombe and Search Exploration to undertake a 4 array 3D IP survey. The survey covered a 1.5km x 1km area over Blind Calf encompassing all known surface copper lenses including the high-grade copper zone where Kidman have received recent multiple high-grade copper intercepts to 120m below surface.

A 3D IP inversion model of the data identified strong chargeability zones at depth, located directly beneath previous high-grade copper intercepts (see figure 2). The chargeability zones are interpreted as areas of concentrated sulphide mineralization. These clearly identified zones are high priority targets for the diamond drill program commencing in January.

Elevated chargeable IP responses were returned over a broad zone about 320m x 200m and down to a depth of approximately 500m meters which was the limit of the IP survey. Many of the strongest IP responses appear to be around 400m depth which fits into the Cobar style deposit model where mineralization improves with depth.

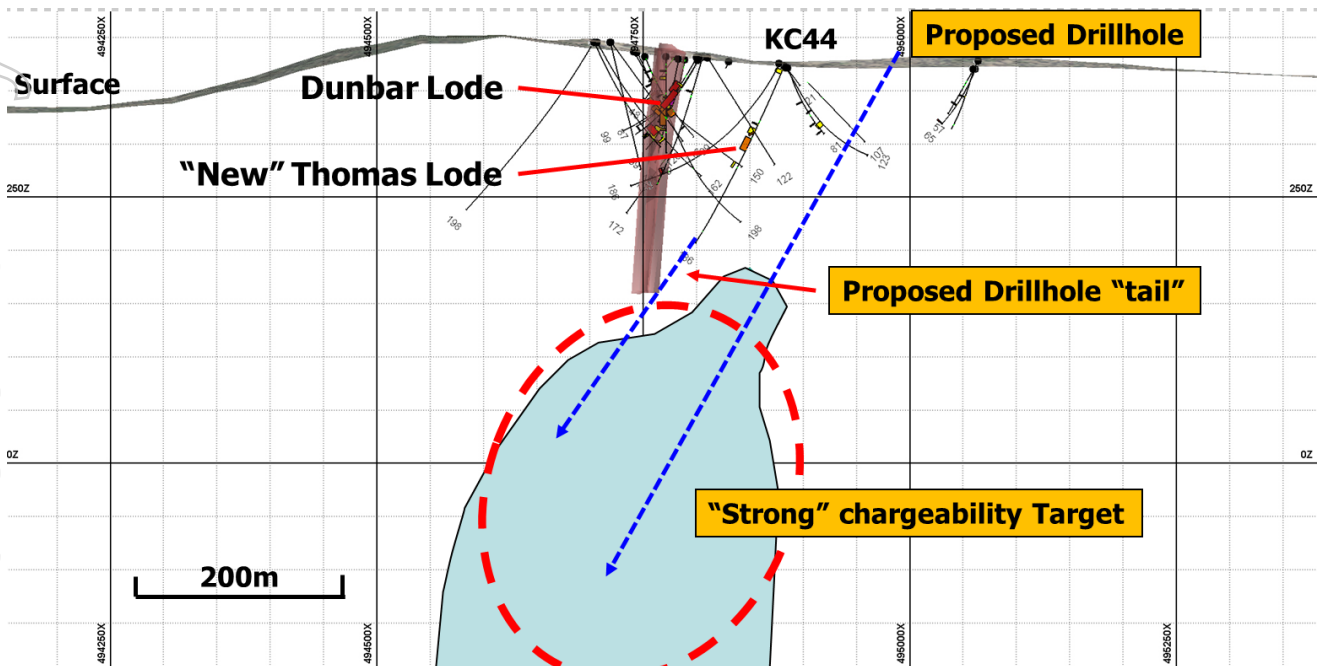


**Figure 2:** 3D IP Inversion Model (green) – Previous drilling at Blind Calf and “new” IP targets.

Significantly, there are also another two strong IP anomalies to the northwest and southeast of the Blind Calf discovery. These appear to be “blind” targets as no known copper lenses extend to the surface. The IP anomaly to the northwest remains open and Kidman will extend the survey here in the future. Both these positions have never been drill tested.

The Company’s plan is to drill test the major, centrally located IP target that extends beneath the Dunbars and Blind Calf’s Lode with 2-3 deep diamond drillholes for a definitive test (see figure 3). The program will commence in January 2012.

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**Figure 3:** Blind Calf Cross-Section – IP target (blue) and proposed drilling

## 2) WILMATHA PROJECT EL7538 – CENTRAL NSW

### HIGHLIGHTS:

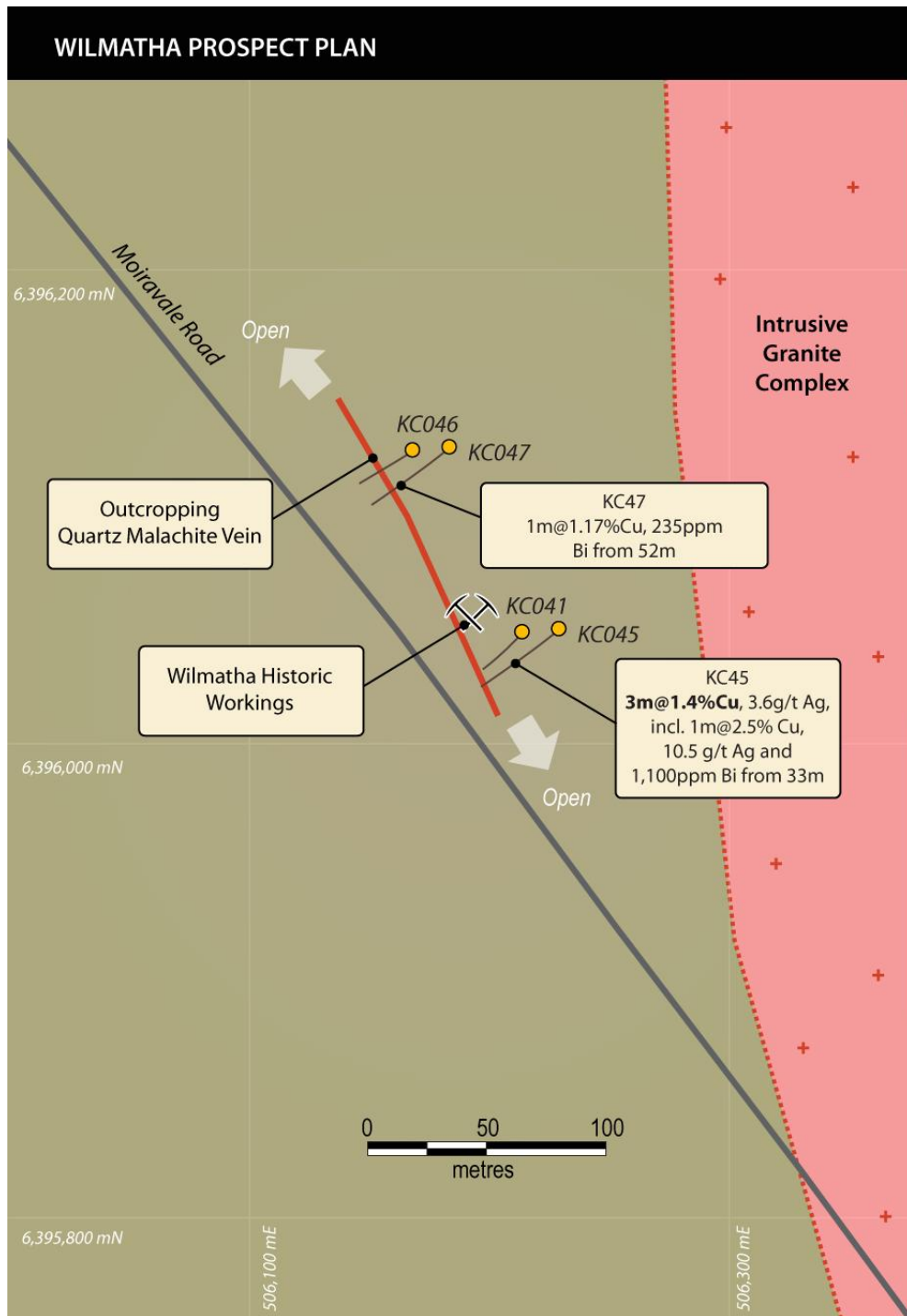
**Maiden drilling at Wilmatha has identified a new epithermal quartz- malachite vein 12km East of Blind Calf. Results include 3m @ 1.3% Cu, 3.6g/t Ag (includes 1m @ 2.5% Cu, 10.5g/t Ag, 1,100ppm Bi) from 33m (KC45)**

Kidman Resources Wilmatha prospect is located around 12 km's east of Blind Calf and is close to Kimberley Metals Mineral Hill plant.

During the quarter the company received its first drill results at Wilmatha which include significant intercepts over an 80m strike length from 3 of the 4 drill holes completed as part of this initial program. The copper intercepts at Wilmatha remain open in every direction (figure 4) with better grades so far being intersected to the south.

The Wilmatha results include:

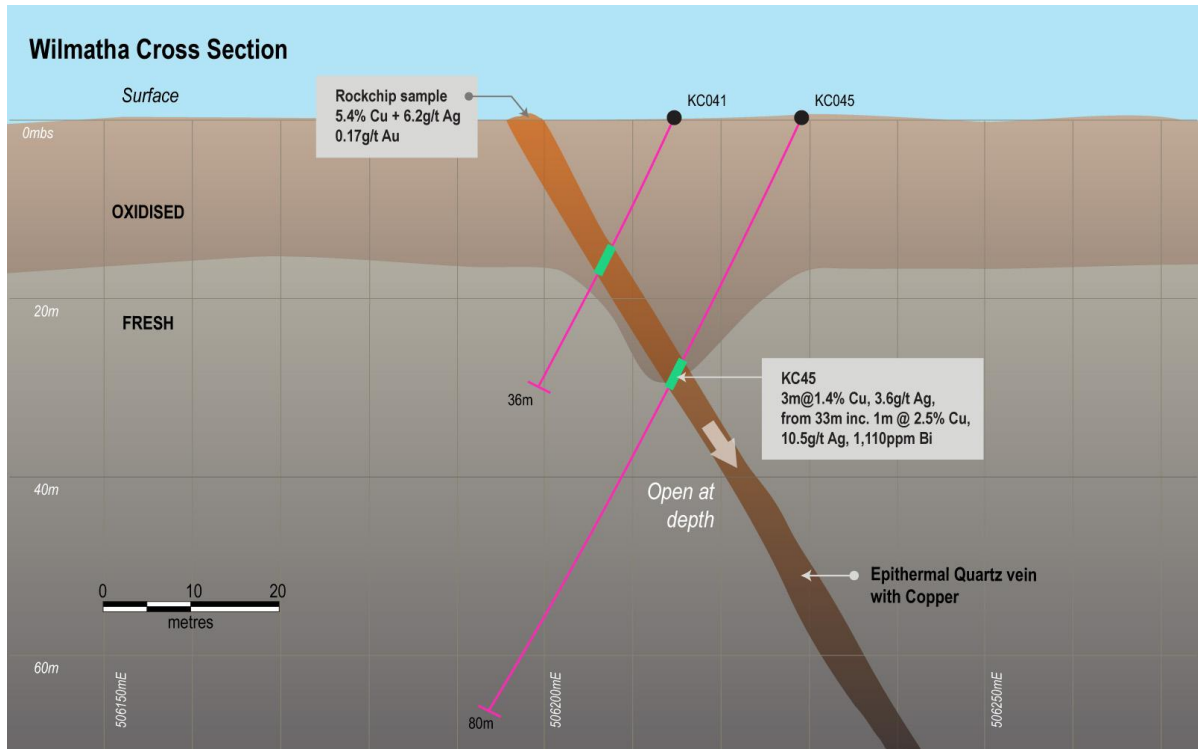
- 3m @ 1.3% Cu, 3.6g/t Ag (includes 1m @ 2.5% Cu, 10.5g/t Ag, & 1,100ppm Bi) from 33m (KC45) - 25m below surface and open at depth
- 2m @ 14.6g/t Ag, 0.2% Pb from 7m (KC46)
- 1m @ 1.1% Cu, 235ppm Bi from 52m (KC47)



**Figure 4:** Wilmatha Prospect Plan with Significant Results

These are significant results as they represent the first drillholes targeting copper mineralisation beneath historic workings in this area. Rock chip samples from the historic work dumps at Wilmatha assayed up to 5.4% copper, 6.2g/t Ag, and 0.17g/t gold. The 2m wide quartz-malachite vein outcrops and surface mapping has traced it for a distance of over 200m before heading under shallow alluvial cover. Two traverses, located 80m apart, consisted of two drillholes each. These were angled to drill perpendicular to the east dipping vein and test to 40m below surface (figure 5).

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**Figure 5: Wilmatha Cross Section with Significant Results**

The Wilmatha target is located on the western edge of 2km wide intrusive complex. The mineralisation in KC45 consisted of oxidised quartz-malachite in a highly silicified rhyolite host rock.

Textures identified from hand specimens located on the surface contain colloform banded quartz. These textures are consistent with those seen in other epithermal systems around the world, hence, Wilmatha is an epithermal type target. The elevated bismuth (>1000ppm) is generally a key indicator for gold in these types of systems and is very encouraging. Further analysis of these rock chip samples including mineralogy and petrography is in progress.

### **Mahgalore Prospect - NSW**

At Mahgalore initial results were encouraging with intersections of mineralised structures including 1m @ 0.6% Cu, 0.15g/t Au, & 675ppm Bi (KC49). There was anomalous gold at low levels in the Mahgalore assay results, which is promising given these are the first drillholes into this target.

The Mahgalore copper workings are located on the eastern edge of the intrusive complex. The trend of these workings trend in an east-west orientation and historic records indicated a "southern underlay" dip (ie a Copper lense dipping to the north). Rockchip samples from the historic Mahgalore workings assayed up to 7.3% copper, 0.57g/t Au, and 13.7g/t Ag. The same method of drilling at Wilmatha was conducted at Mahgalore (ie. two traverses, each with two drillholes) to test the copper lense beneath historic workings.

The first drillhole (KC48) intersected an open void of ~1m at 22m downhole. Only weak copper mineralisation was identified at this location so it is interpreted that the drillhole intersected the copper lense and it was mined in this position. KC49 intersected 1m @ 0.6% Cu, 0.15g/t Au, and 675ppm Bi. This intersection was 20m below the void intersected in KC48.

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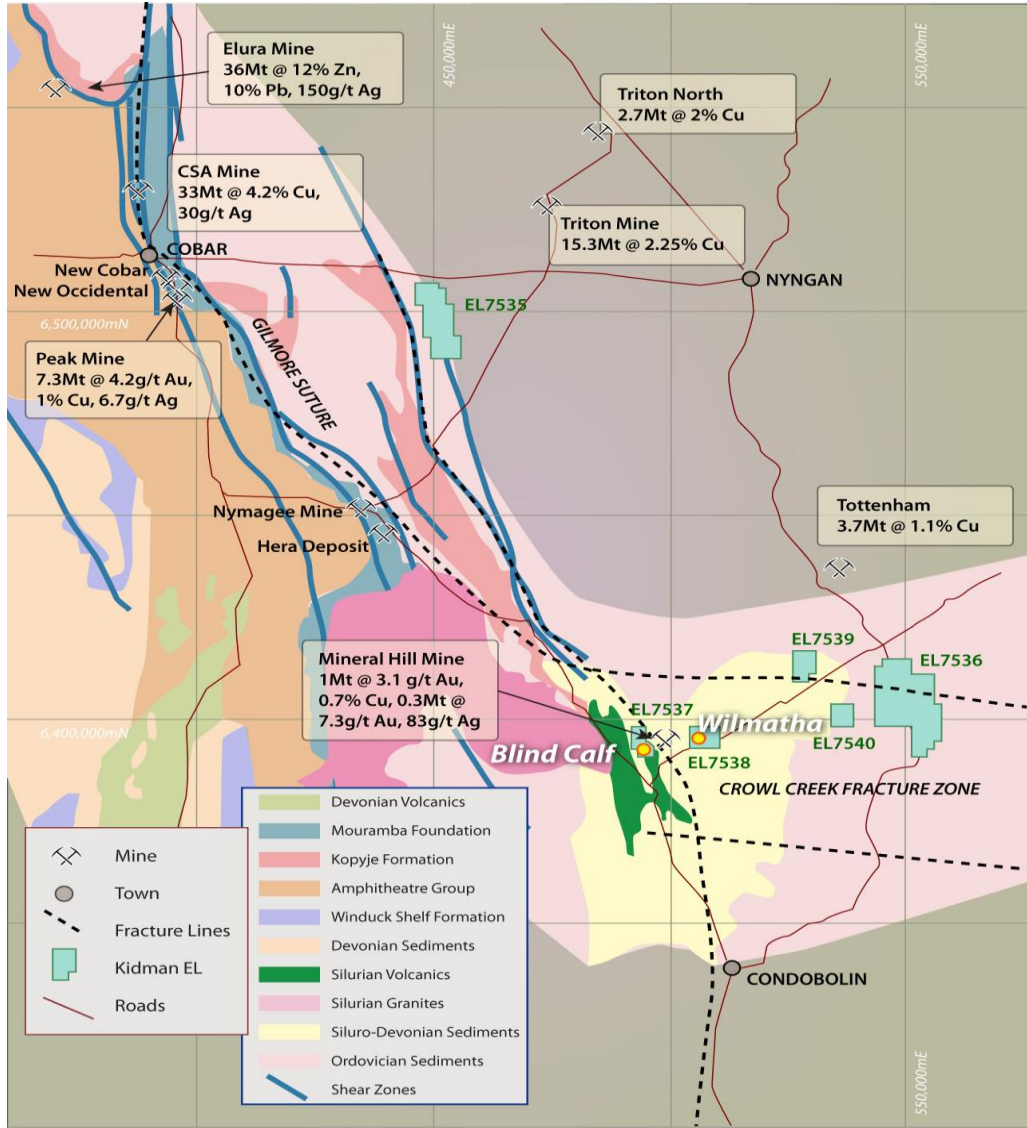


Figure 6: Location Map - Kidman Projects in Central NSW

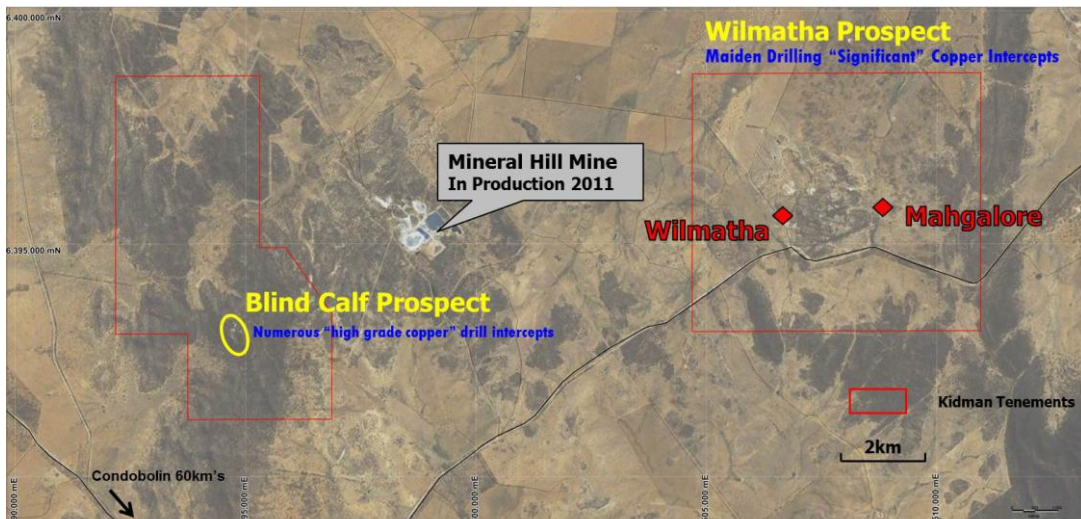


Figure 7: Blind Calf and Wilmatha Project Locations

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**Table 1: Summary of significant Drill Results for December Qtr 2011**

HOLE ID	FROM (m)	TO (m)	INTERVAL (m)	Cu (%)	Ag (g/t)	Au (g/t)	Target
<b>KC33</b>	92	102	10	2.8	3.8	0.2	Dunbar Lode
<b>including</b>	92	97	<b>5</b>	<b>5.1</b>	6.7	0.4	
KC35	109	110	1	1.4			Blind Calf Lode
<b>KC36</b>	141	148	8	2.75	3.2	NSR	Blind Calf Lode
<b>including</b>	143	147	<b>4</b>	<b>4.0</b>	4.7	NSR	
KC37	25	27	2	1.2			Dunbar Lode
KC39	45	46	1	1.15			E.Bowketts
KC40	4	7	3	0.4	NSR	NSR	Dunbar Lode
KC41	17	18	1	0.4	2.7		Wilmatha
<b>KC42</b>	153	156	<b>3</b>	<b>2.4</b>	3	NSR	Dunbar Lode
<b>KC43</b>				Requires ext.			Blind Calf Lode
<b>KC44</b>	75	87	12	2.0	2.2	NSR	"New" East Lense
<b>including</b>	81	86	<b>5</b>	<b>3.0</b>	<b>3.56</b>	NSR	
<b>KC44</b>				Requires ext.			Dunbar Lode
KC45	33	36	<b>3</b>	<b>1.4</b>	<b>3.6</b>		Wilmatha
KC46	7	9	2	NSR	14.65		Wilmatha
KC47	52	53	<b>1</b>	<b>1.1</b>	1.1	NSR	Wilmatha
KC49	41	42	1	0.6	NSR	0.15	Mahgalore

*Drillhole location and survey still subject to verification. Blind Calf assay intervals are riffle split on 1m intervals and assayed by ALS Minerals using 4-acid digestion followed by ICP-MS or ICP-AES. Wilmatha/Mahgalore assay intervals are 1m spear samples. NSR = No significant result. All intervals are downhole widths.*

### 3. Other NSW Projects

In addition to the projects described above, Kidman Resources has a further four projects in the Lachlan Fold Belt in Central NSW. These projects are known as follows:

- Belmore
- Whinell
- Jumble Plains
- Yethera

Work programs for CY 2012 are being prepared for these tenements.

#### 4. Hale River Project- Northern Territory

No further work was undertaken during the quarter however the company now has approvals for a drilling program to commence.

This program will be considered once the current wet season is over.

**On behalf of Kidman Resources Limited**

**Shane Mele  
Executive Director**

*The information in this release that relates to exploration results and geological interpretation has been compiled by Mr Shane Mele BSc, (Hons) M.Econ.Geol., MAusIMM. Mr Mele is a Member of the Australian Institute of Mining and Metallurgy and he has sufficient experience with the style of mineralisation and types of deposits under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2004 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code) for reporting the exploration results. Mr Mele consents to the inclusion in this report of the contained technical information in the form and context in which it appears.*