

May 19, 2016

ASX Release

Kidman Resources Limited  
ABN 88 143 526 096

## Significant shallow gold results at Mt Holland Gold City prospect

### Corporate Details:

ASX Code: KDR

### Issued capital:

237.3M ordinary shares  
47.45M listed options (KDRO)

### Substantial Shareholders:

Capri Holdings (9.63%)  
Acorn Capital (8.85%)

### Directors:

#### Non-Executive Chairman:

Peter Lester

#### Managing Director:

Martin Donohue

#### Non-Executive Director:

Brad Evans

### Chief Financial Officer (CFO):

Melanie Leydin

### Company Secretary:

Justin Mouchacca

### Contact Details:

Kidman Resources Limited  
Suite 3, Level 4  
12 - 20 Flinders Lane  
Melbourne  
Victoria 3000  
Australia

Tel: +61 (0)3 9671 3801

Fax: +61 (0)3 9671 3523

Email:

[info@kidmanresources.com.au](mailto:info@kidmanresources.com.au)

Website:

[www.kidmanresources.com.au](http://www.kidmanresources.com.au)

- Resampling of shallow RC drilling at Gold City confirms new target
- Blue Vein Diamond drilling advancing well with assays now pending

Kidman Resources (ASX: KDR) is pleased to announce its first gold assay results from the Mt Holland project in WA. Resampling of an RC drilling program completed by previous operators was undertaken at the Gold City prospect located at the southern end of the Mt Holland tenement package that covers 50km of the highly prospective Forrestania greenstone belt.

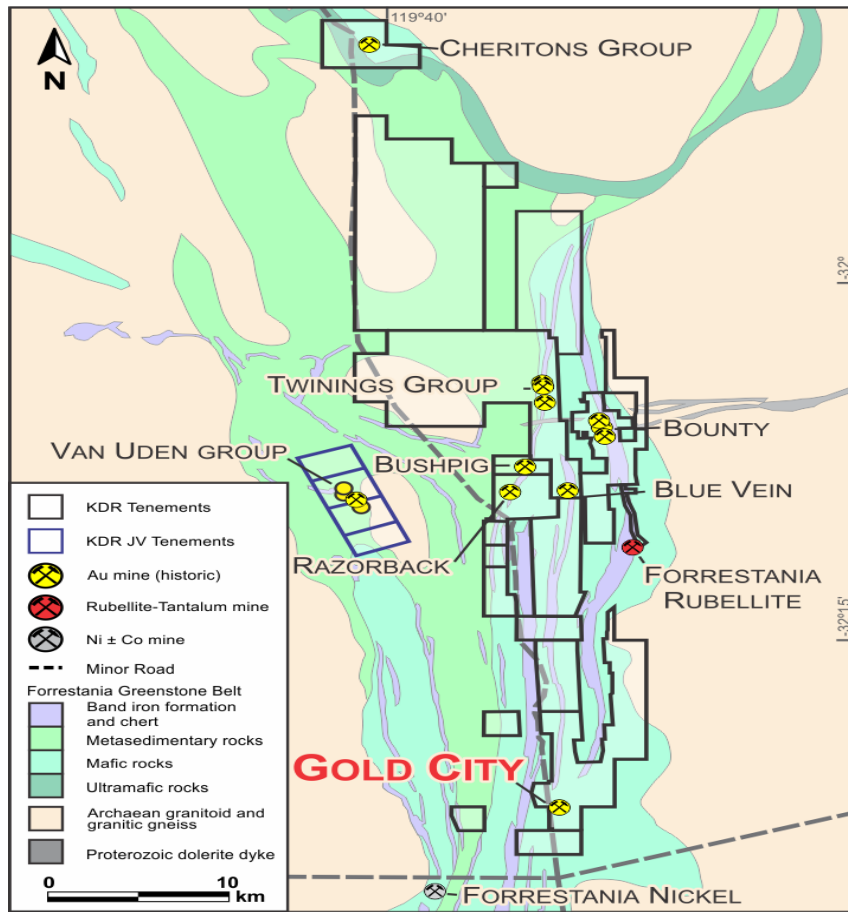
The RC program comprised nine holes with an average down hole depth of 60m and was designed to test part of an area which has numerous historic shallow workings over 500m x 200m. The Gold City prospect has previously been subjected to only a small number of RAB drill holes and is therefore under explored considering its location within the Forrestania greenstone belt.

The RC program was completed by previous operators who only sampled 4m composites. Kidman has assayed 1 meter splits of the original samples with positive results as follows;

- 34m @ 1.45 gpt from 20m  
Including **8m @ 3.6 gpt from 20m**
- 35m @ 0.90 gpt from 18m  
Including **4m @ 4.07 gpt from 24m**
- 15m @ 0.94 gpt from 39m  
Including **5m @ 1.55 gpt from 48m**

Given these results are effectively the first pass results at Gold City the broad gold zones at shallow depth are considered highly encouraging. Within these broad zones higher gold grades give further encouragement that there may be potential for another open pit resource within the Mt Holland project and a follow up drill program is now being designed.

Gold City is one of several highly prospective gold prospects and deposits within Mt Holland and Kidman's aim is to advance these projects with systematic, modern exploration techniques as it works towards increasing the approximate 1.2 million oz Mt Holland resource (see ASX Announcement 18<sup>th</sup> December 2015) and also upgrading the historic feasibility study at the Blue Vein deposit.



**Image 1.0 Map of Mt Holland showing Gold City prospect location in relation to Blue Vein**

### **Blue Vein**

In addition to the Gold City RC drilling results, Kidman is also advancing well with its maiden diamond drilling program at the Blue Vein deposit also at Mt Holland.

The exploration team has designed an aggressive diamond drilling program that has targeted the known ore zone (which remains open) 80m - 200m down dip of the previous deepest intercepts at Blue Vein which were approximately 320m below surface and included 14m at 13.64gpt.

The rationale for such an aggressive drilling program is to validate Blue Vein as an analogue to the highly successful Bounty Gold mine in the most timely and cost effective way. Bounty produced 1.3 million ounces of gold between 1989 and 2001 to a depth of 1.2km from surface and is located 4km to the north of Blue Vein on a parallel structure.

Kidman believes that should these maiden diamond drill holes at Blue Vein be successful in intercepting the ore zone by such a significant down dip extent it will be well on track to establishing the Blue Vein deposit as a stand-alone mine.

Blue Vein currently has a Combined Measured, Inferred and Indicated resource of 372,500 ozs from surface to a depth of around 320m including a 208,000 oz Combined Measured, Indicated and Inferred resource of 963,000t @ 6.7 gpt based on a 3gpt cut off (see ASX Announcement 18<sup>th</sup> December 2015).

A historic preliminary feasibility study of the Blue Vein deposit showed positive economics over a limited mine life. Kidman's aim is to add significant mine life to the deposit with these deep diamond drill holes. If successful the company plans to upgrade the existing resource size and classification and to drill out a maiden Ore Reserve at Blue Vein with an extensive follow up combined RC and Diamond drilling program.

Initial assay results from this diamond program at Blue Vein are expected shortly.

For personal use only

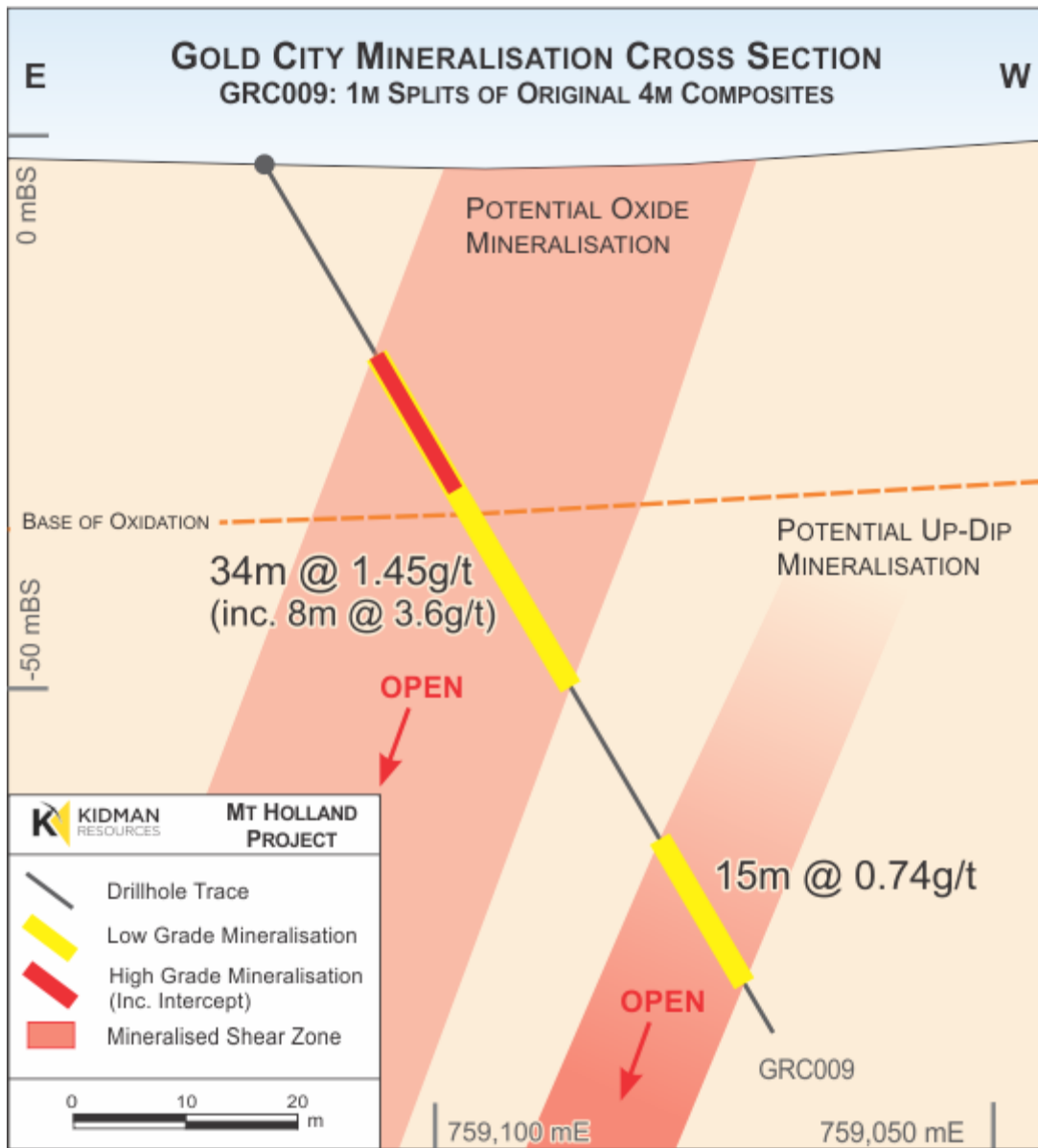


Image 2.0 Cross section of Gold City RC drill intercepts

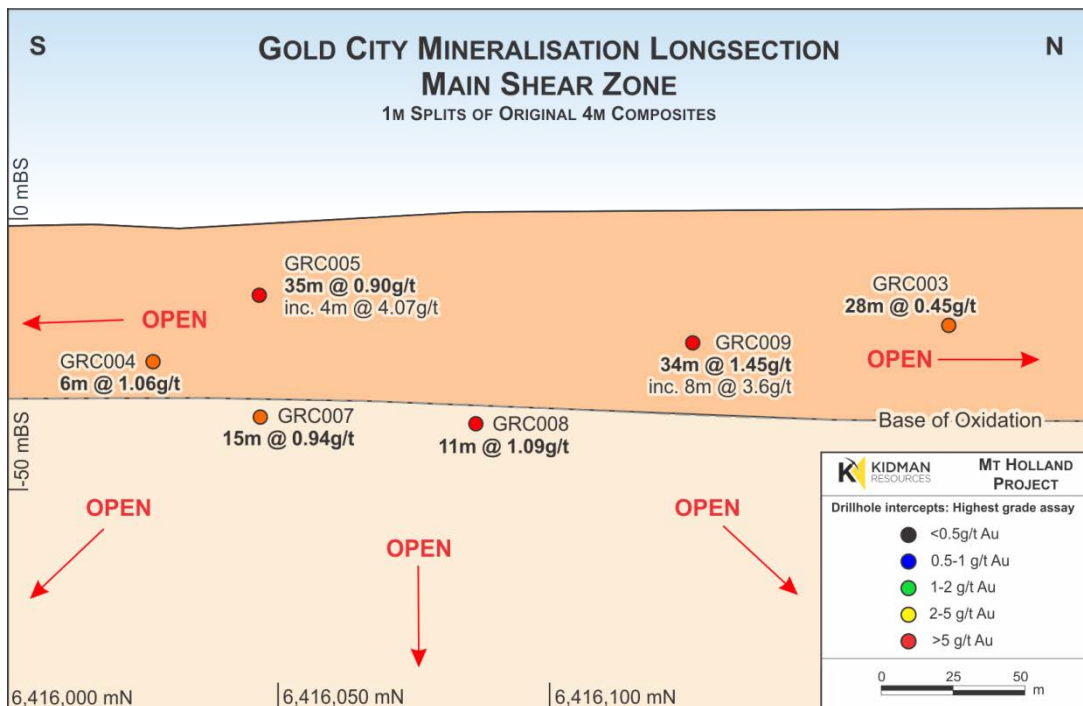


Image 3.0 Long Section of first pass RC drill intercepts at Gold City

### **Mt Holland Lithium/ Tantalum Assays**

As previously advised to the ASX Kidman has submitted numerous diamond core samples for assaying that were retrieved from the historic Bounty core farm at the Mt Holland project. Historic drilling at Bounty intercepted pegmatites in the footwall side of Bounty resulting in a significant number of drill holes being stored in the core farm containing pegmatite. This pegmatite drill core has not previously been assayed for its Lithium and Tantalum potential. The existence of this drill core farm is of substantial value due to the fact there is no requirement, and therefore no cost, for Kidman to drill test the pegmatite zone at Bounty. Other pegmatites have also been mapped for over 6km strike at Mt Holland north of Bounty that has not previously been drill tested and assayed.

Due to an error at the laboratory with the sampling process the assay results submitted in mid-April have been delayed. However, the company expects to be in receipt of these Lithium assay results very shortly and will provide the results as soon as they are received. Although frustrating for Kidman management and its shareholders to face such delays the technical team has subsequently been able to further progress the review of Lithium potential at Mt Holland and has now processed further pegmatite drill core from Bounty that has also been submitted for analysis and this will provide additional information on the Lithium/ Tantalum potential at Mt Holland.

### **Kidman Background**

Kidman is a diversified resource company currently in production at the Burbank's 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 with a significant RC and Diamond drilling program, followed by an update to the feasibility study.

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](http://www.kidmanresources.com.au)

### **Media:**

**Read Corporate**

**Paul Armstrong / Nicholas Read**

**+61 8 9388 1474**

### **Competent Persons Statement**

#### *Exploration:*

*The information in this release that relates to sampling techniques and data, Exploration Results, geological interpretation and Exploration Targets has been compiled by Mr. Michael Green BSc (Hons), MAusIMM, an employee of the Company. Mr. Green 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 2012 Edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (The JORC Code). Mr. Green is a shareholder in KDR. Mr. Green consents to the inclusion in this report of the contained technical information in the form and context in which it appears.*

Gold City 2016 RC Drillhole Intercepts												
Drillhole	GDA94 zone 50S		RL	Dip	Azimuth	EOH depth (m)	Downhole Interval				Prospect	Site Type
	Easting	Northing					From (m)	To (m)	Intersection (m)	Au (g/t)		
GCRC001	759054.7	6416026	390.79	-60	269.6	36	NSI				Gold City	RC
GCRC002	759084.7	6416027	389	-60	269.6	25	NSI				Gold City	RC
GCRC003	759114.7	6416027	389.94	-60	269.6	55	16	44	28	0.45	Gold City	RC
Including							29	30	1	3.35	Gold City	RC
GCRC004	759093.7	6416174	393.47	-60	269.6	57	23	29	6	1.06	Gold City	RC
GCRC005	759099	6416127	391.97	-60	269.6	56	18	53	35	0.9	Gold City	RC
Including							24	28	4	4.07	Gold City	RC
GCRC006	759070.6	6416034	389.57	-60	269.6	29	20	21	1	1.13	Gold City	RC
GCRC007	759114	6416127	392.02	-60	269.6	100	39	54	15	0.94	Gold City	RC
Including							48	53	5	1.55	Gold City	RC
GCRC008	759114.3	6416087	390.77	-60	269.6	98	43	54	11	1.09	Gold City	RC
GCRC009	759114.5	6416047	390.22	-60	269.6	90	20	54	34	1.45	Gold City	RC
Including							20	28	8	3.6	Gold City	RC

## Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
<b>Sampling techniques</b>	<ul style="list-style-type: none"> <li>• Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down-hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</li> <li>• Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</li> <li>• Aspects of the determination of mineralisation that are Material to the Public Report.</li> <li>• In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information</li> </ul>	<p>This Table relates to the recent sampling programme on legacy Reverse Circulation drilling undertaken by CVG (Convergent Resources) at the Gold City Project. All RC sampled sections reported are 1m intervals.</p> <p>A total of 9 RC drill holes for 546m were resampled by KDR in this programme.</p> <p>Holes were angled to optimally intersect the mineralised zones in consideration of site accessibility.</p> <p>RC drilling has been completed to industry standard using 1m sample intervals utilising a cone splitter to form a composite, which are then crushed and pulverized to produce a ~200g pulp sub-sample to use in the assay process.</p> <p>RC samples are fire assayed (30g charge).</p> <p>Given the coarse gold component the samples are inherently variable and may not represent the average grade of the surrounding rock. The RC samples are assayed using a 30g fire assay Digest technique with an AAS finish.</p> <p>For pre- Kidman Resources (KDR) activities, best practice is assumed.</p>
<b>Drilling techniques</b>	<ul style="list-style-type: none"> <li>• Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</li> </ul>	<p>All drilling was undertaken using Reverse circulation, Reverse circulation 5.5" diameter holes</p> <p>Hole depths ranged from a 25 to 100 m and averaged 60.7m RC.</p>
<b>Drill sample recovery</b>	<ul style="list-style-type: none"> <li>• Method of recording and assessing core and chip sample recoveries and results assessed.</li> <li>• Measures taken to maximise sample recovery and ensure representative nature of the samples.</li> <li>• Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.</li> </ul>	<p>Overall recoveries are &gt;95% for Gold City Project. Depths were checked against rod counts which were routinely carried out by the drilling contractor. Recoveries are recorded as a percentage calculated from measured core verses drilled intervals. There is no known relationship between sample recovery and grade.</p>
<b>Logging</b>	<ul style="list-style-type: none"> <li>• Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</li> <li>• Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</li> <li>• The total length and percentage of the relevant intersections logged.</li> </ul>	<p>All information captured by previous explorers is imported into the Kidman database and verified before reporting. Kidman Resources undertakes industry best practice for any exploration programmes it undertakes.</p> <p>Steps taken are detailed below: Drill cuttings is logged over varying intervals, dependent on observed changes for the variable under investigation (e.g. lithology, alteration etc.). The geological logs are carefully compiled with appropriate attention to detail.</p> <p>RC samples are chipped and stored in numbered trays were intervals are then logged, dependent on observed changes for the variable under investigation (e.g. lithology, alteration etc.). The geological logs are carefully compiled with appropriate attention to detail. Kidman Resources utilises Field Marshall as its logging interface, with data recorded on multiple table files, these include geology, alteration, mineralisation, veining and recovery. Data is validated on entry using a library of standardised codes.</p> <p>For pre- Kidman Resources (KDR) activities, best practice is assumed.</p>
<b>Sub-sampling techniques and sample preparation</b>	<ul style="list-style-type: none"> <li>• If core, whether cut or sawn and whether quarter, half or all core taken.</li> <li>• If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</li> <li>• For all sample types, the nature, quality and appropriateness of the sample preparation technique.</li> <li>• Quality control procedures adopted for all sub-sampling stages to maximise</li> </ul>	<p>A total of 357 samples were collected using Cone Splitter sampling methods.</p> <p>The laboratory uses industry best practice.</p> <p>The procedure utilised include the following:</p> <ul style="list-style-type: none"> <li>• Sort all samples and note any discrepancies to the client submitted paperwork. Record a received weight</li> </ul>

For personal use only



	<p><i>representivity of samples.</i></p> <ul style="list-style-type: none"> <li>• <i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i></li> <li>• <i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i></li> </ul>	<p>(WEI-21) for each sample. Separate out any samples for SG analysis onto a separate trolley to ensure they are not crushed.</p> <ul style="list-style-type: none"> <li>• Dry samples at 95 degrees until dry.</li> <li>• Perform non wax dipped SG analysis (OA-GRA08) on requested samples and return these to the drying oven once completed.</li> <li>• Crush samples to 6mm nominal (CRU-21) split any samples &gt;3.2Kg using riffle splitter (SPL- 21).</li> <li>• Generate duplicates for nominated samples, assigning D suffix to the sample.</li> <li>• Pulverise samples in LM5 pulveriser until grind size passes 90% passing 75um (PUL-23). Check grind size on 1:20 using wet screen method (PUL-QC).</li> <li>• Take ~400g working master pulp for 30g fire assay, AAS finish (Au-AA26)</li> <li>• Samples are assayed for gold to 0.01ppm. Detection limits are in ppm unless otherwise noted.</li> </ul> <p>For pre-Kidman Resources (KDR) samples, best practice is assumed.</p> <p>Field QC procedures involve the use of Certified Reference Materials (CRM's) as assay standards, along with field derived duplicates.</p> <p>The insertion rate of CRM's is according to standard policy and deemed appropriate for this type of sampling. Field duplicates analytical results have been checked against the corresponding primary sample result and found to be in an acceptable level of variance.</p> <p>CRM's have been cross checked against their certified value and found to be in an acceptable level of variance. Sample sizes are considered appropriate for the rock type, style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay ranges for the primary elements at Gold City.</p>
<p><b>Quality of assay data and laboratory tests</b></p>	<ul style="list-style-type: none"> <li>• <i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i></li> <li>• <i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i></li> <li>• <i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i></li> </ul>	<p>For all drill samples being reported, gold concentration is determined by fire assay using the lead collection technique with a 30 gram sample charge weight. An AAS finish is used and considered as total gold digestion.</p> <p>No geophysical results reported</p> <p>The QAQC protocols used include the following for all drill samples:</p> <ul style="list-style-type: none"> <li>• The field QAQC protocols used include the following for all drill samples:</li> <li>-Commercially prepared certified reference materials (CRM) are inserted at an incidence of 1 in 20 samples. The CRM used cannot be identified by the laboratory,</li> <li>-QAQC data is assessed when received from the lab and following import by an external database administrator.</li> <li>• The laboratory QAQC protocols used include the following for all drill samples:</li> <li>-Repeat analysis of pulp samples occurs at an incidence of 1 in 20 samples,</li> <li>-The laboratory reports its own QAQC data on with each batch returned</li> <li>• Failed standards are generally followed up by re-assaying a second 30g pulp sample of all samples in the fire above 0.1ppm by the same method at the primary laboratory.</li> </ul> <p>Both the accuracy component (CRM's checks) and the precision component (duplicates and repeats) is within acceptable limits</p> <p>QAQC protocols are thought to demonstrate acceptable levels of accuracy and precision</p>
<p><b>Verification of sampling and assaying</b></p>	<ul style="list-style-type: none"> <li>• <i>The verification of significant intersections by either independent or alternative company personnel.</i></li> <li>• <i>The use of twinned holes.</i></li> <li>• <i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i></li> <li>• <i>Discuss any adjustment to assay data.</i></li> </ul>	<p>To date KDR has not twinned any drill holes.</p> <p>Primary data was collected using a set of standard logging templates on laptop computers using lookup codes.</p> <p>Once data collection is complete the information was sent to Geobase Australia for additional validation and compilation prior to loading into the company's Azeva Database Management System.</p> <p>KDR undertakes continual data integrity checks and validation. No adjustments or calibrations were made to the results.</p>

<b>Location of data points</b>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.</i>	Holes drilled to date by CVG have been located with a Total Station and are assumed to be accurate to $\pm$ 0.1 m.  This is considered appropriate for the current drill hole spacing. Downhole gyro surveys were completed as deemed appropriate.  All horizontal coordinates are based on the GDA94_51S grid system. Drillhole collar locations have been surveyed using GPS method/s by CVG personnel. These accuracy of the surveying ranges is estimated to be between 0.5 and 5m.  All maps and plans are presented in in MGA 94 Zone 50 or in Gold City Mine parallel to the strike of the major lithological units and structural features of the Gold City area
<b>Data spacing and distribution</b>	<ul style="list-style-type: none"> <li>• Data spacing for reporting of Exploration Results.</li> <li>• Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</li> <li>• Whether sample compositing has been applied.</li> </ul>	The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the classifications applied under the 2012 JORC Code Underground exploration and definition drilling has been drilled on a range of spacing, from 10m to 50m  The mineralisation at Gold City's has demonstrated sufficient continuity in geological observations  RC samples are measured as 1 metre intervals.
<b>Orientation of data in relation to geological structure</b>	<ul style="list-style-type: none"> <li>• Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</li> <li>• If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</li> </ul>	Not applicable
<b>Sample security</b>	<ul style="list-style-type: none"> <li>• The measures taken to ensure sample security.</li> </ul>	Sample chain of custody is managed by Kidman. Samples for the Project are stored on site and delivered to the laboratory in Kalgoorlie by Kidman Resources personnel.  Whilst in storage the samples are kept in a locked yard that is monitored by CCTV.  Tracking sheets tracks the progress of batches of samples.
<b>Audits or reviews</b>	<ul style="list-style-type: none"> <li>• The results of any audits or reviews of sampling techniques and data</li> </ul>	A further internal review of the sampling techniques and data is being conducted by Kidman Resources as part of due diligence and continual review of protocols, this occurs as a matter of course for all exploration activities undertaken by Kidman Resources.  Pre-KDR data audits were found to be minimal in regards to QAQC, though in line with industry standards of the time.

## **Section 2 Reporting of Exploration Results**

<b>Criteria</b>	<b>JORC Code explanation</b>	
<b>Mineral tenement and land tenure status</b>	<ul style="list-style-type: none"> <li>• Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.</li> <li>• The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.</li> </ul>	The sampling was undertaken on tenement E77/1535 and forms part of the company's Mt Holland project located in Western Australia.  All tenements are in good standing.
<b>Exploration done by other parties</b>	<ul style="list-style-type: none"> <li>• Acknowledgment and appraisal of exploration by other parties.</li> </ul>	1973 – 1974 AMAX Exploration Australia Incorporated were exploring for Ni and completed geological mapping and RAB drilling. 1987 – 1991 Gold Mines of Kalgoorlie Limited explored the tenements for Au and conducted regional mapping, scout drilling and geochemical sampling. 1989 – 1991 Outokumpu Exploration Australia Party Limited completed wide ranging geochemical and drilling exploration focused upon Ni. 1994 – 1999 Normandy Ltd completed rock sampling and RC drilling at Gold City and Batavia



		<p>1999 – 2000 Viceroy Australia focused their exploration at North Ironcap, Squealer, Badbat, Sandalwood, Picnic, and Bounty.</p> <p>2000 – 2001 Lion Ore completed MLTEM on E77/1535, and delineated four targets.</p> <p>2000 – 2004 Sons of Gwalia completed regolith and geological mapping, aeromagnetic geophysical survey, and RAB drilling programs exploring for Au.</p> <p>Convergent also undertook Soil sampling rock chip sampling and RC drilling during its tenure of the Mt Holland Goldfield</p>
<p><b>Geology</b></p>	<p>• <i>Deposit type, geological setting and style of mineralisation.</i></p>	<p><b>Regional Geology</b></p> <p>The Forrestania Greenstone belt trends north/north-west for over 300km from Carterton (north) to Hatters Hill (South) (Harvey 2001). The belt contains two distinct geological packages. Package One is represented by a mafic-ultramafic suite intercalated with a sequence of immature clastic sediments. Package Two encompasses a mafic-ultra mafic sequence and is overlain by Package One.</p> <p>Both packages are regionally folded and display a north plunging synform with steep west, and shallow east limbs (West and East ultramafic-mafic domains) with a core of Package One ultramafic-mafic-sedimentary rocks) (Harvey 2001).</p> <p>The Forrestania Greenstone Belt was metamorphosed to amphibolite grade facies with localised zones of annealed (retrograde) greenschist facies. The belt is bounded by syngenetic ovoid granite-gneiss complexes. Numerous roughly east-west striking Proterozoic dolerite dykes cross-cut the north trending granite-greenstones) (Harvey 2001).</p> <p>The Eastern Domain's basal unit is a thick sequence of tholeiitic basalts (minor interflow sedimentary horizons) upon a stratigraphically younger intrusive granitoid (east). Stratigraphically above the basal basalts is an approximately 600m thick package of (from low to high) komatiitic high MgO olivine mesocumulate (Forrestaina Belt Ni host); then a komatiitic low MgO olivine mesocumulate with locally developed dolerite-gabbro differentiates and intercalated banded iron formations (BIF); then finally a unit of high MgO basalts. This stratigraphic sequence typifies the Eastern Domain (Harvey 2001).</p> <p>The Western Domains' basal rocks are a thin suite of clastic metasediments which sit upon a younger intrusive granitoid (west). Stratigraphically above the basal metasediments are a thick package of (from low to high) komatiitic high MgO olivine orthocumulate; then a low MgO pyroxenite with locally developed dolerite-gabbro differentiates and intercalated flow sediments; then finally a unit of high MgO basalts with intercalated flow sediments. This stratigraphic sequence typifies the Western Domain (Harvey 2001).</p> <p>The Central Domain is a thick (approx. 1000m) unit consisting of psammitic/pelitic +-Garnet schists, minor graphite schists, and thin BIFs (Harvey 2001). Major shear zones are recorded within the Forrestaina Belt and separate the three domains. The Mt Holland Shear defines the Central and Eastern Domain's contact. Likewise, the Van Uden Shear separates the Central and Western Domains. Additional shear zones are recorded as parallel and cross-cutting stratigraphy dominantly orientated north south; and north north-west to south south-east (Harvey 2001).</p> <p>E77/1535 is situated in the Forrestania Greenstone belt. The dominant rocks within E77/1535 are basalts, with minor ultramafic and chert horizons, and rare Proterozoic dykes in the west, and younger granitic intrusions and Proterozoic Dykes in the east. The geology at Gold City and Batavia (formerly Margaret Ellen) is exclusively metabasalts with varying degrees of alteration, quartz veining, and faulting (well developed brittle-ductile shear zones).</p>

<b>Drill hole Information</b>	<ul style="list-style-type: none"> <li>• A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:               <ul style="list-style-type: none"> <li>o easting and northing of the drill hole collar</li> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> <li>o hole length.</li> </ul> </li> <li>• If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.</li> </ul>	See Table included in Announcement
<b>Data aggregation methods</b>	<ul style="list-style-type: none"> <li>• In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</li> <li>• Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</li> <li>• The assumptions used for any reporting of metal equivalent values should be clearly stated.</li> </ul>	<p>High grade intervals internal to broader zones of mineralisation are reported as included or within intervals.</p> <p>Maximum internal dilution is 2m within a reported interval.</p> <p>No grade top cut off has been applied.</p> <p>No metal equivalent is used or applied.</p> <p>A minimum cut-off grade Of 0.1g/t Au is applied to the reported gold intervals</p>
<b>Relationship between mineralisation widths and intercept lengths</b>	<ul style="list-style-type: none"> <li>• These relationships are particularly important in the reporting of Exploration Results.</li> <li>• If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</li> <li>• If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. 'down hole length, true width not known').</li> </ul>	<p>Mineralised widths are indicative of supergene enrichment around the main mineralized structure above the base of oxidation</p>
<b>Diagrams</b>	<ul style="list-style-type: none"> <li>• Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</li> </ul>	<p>Refer to Figures in body of text</p>
<b>Balanced reporting</b>	<ul style="list-style-type: none"> <li>• Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</li> </ul>	<p>All results to date are reported in the table provided from the RC drill program.</p>
<b>Other substantive exploration data</b>	<ul style="list-style-type: none"> <li>• Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</li> </ul>	<p>Multi element assaying has not historically been conducted routinely on samples for a suite of potentially deleterious elements. Forthcoming work will include this type of analysis. The results shown are from historic work completed before the acquisition by Kidman Resources.</p>
<b>Further Work</b>	<ul style="list-style-type: none"> <li>• The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</li> </ul>	<p>KDR is currently undertaking a Diamond Drilling programme at Mt Holland delineate future mining areas within the Blue Vein area. Further work on Gold City will include Geophysical, geological mapping and soil programme.</p> <p>A review of historic drill holes is underway with multiple holes to be sampled as areas of interest have not historically been assayed. These results will be used internally for Grade Control modelling.</p>