

Kin Mining N.L.

ACN 150 597 541

Notice of General Meeting

Explanatory Statement

and

Proxy Form

Date of Meeting

Friday 20th March 2015

Time of Meeting

10:00am (WST)

Place of Meeting

Kin Mining NL, 342 Scarborough Beach Rd,
OSBORNE PARK WA 6017

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of Shareholders of Kin Mining N.L. (“Kin” or “the Company”) will be held on Friday 20th March 2015, commencing at 10:00am (WST) at Kin Mining NL, 342 Scarborough Beach Rd, Osborne Park, Western Australia.

The enclosed Explanatory Statement accompanies and forms part of this Notice of Meeting.

AGENDA

SPECIAL BUSINESS

Resolution 1: Ratification of Share Issue

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of Listing Rule 7.4 and for all other purposes, ratification be given in respect of the allotment and issue of 1,000,000 fully paid ordinary shares to Waterton Global Value L.P., on the terms and conditions set out in the accompanying Explanatory Statement.”

Voting exclusion: In accordance with Listing Rule 7.5.6 the Company will disregard any votes cast on Resolution 1 by any person who participated in the issue the subject of this resolution and any person associated with those persons. However, the Company will not disregard a vote if it is cast by such a person as proxy for a person who is entitled to vote in accordance with the directions on the proxy form or if it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

Resolution 2: Financial Assistance

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **special resolution**:

“That, for the purposes of section 260B(2) of the Corporations Act (and all other purposes), approval is given for the provision of financial assistance proposed to be given by Navigator Mining Pty Ltd from time to time in connection with the proposed acquisition of Navigator Mining Pty Ltd by the Company as described in the Explanatory Statement.”

Resolution 3: Approval for Future Issue of Shares

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 5,000,000 Shares on the terms and conditions set out in the accompanying Explanatory Statement.”

Voting Exclusion: In accordance with Listing Rule 7.3.8, the Company will disregard any votes cast on this Resolution 3 by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the Resolution is passed and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting at General Meeting

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the General Meeting are those who are registered Shareholders of the Company at 4.00pm (WST) on Monday, 9th March 2015. Accordingly, transactions registered after that time will be disregarded in determining entitlements to attend and vote at the General Meeting.

Proxy and voting entitlement instructions are included on the Proxy Form accompanying this Notice of Meeting.

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'J. Graziano', written in a cursive style.

Joe Graziano
Company Secretary
6 February 2015

EXPLANATORY STATEMENT

1. INTRODUCTION

This Explanatory Statement has been prepared for the information of Shareholders of Kin Mining N.L. (“**Kin**” or “the **Company**”) in connection with the business to be conducted at the General Meeting of Shareholders to be held on Friday, 20th March 2015, commencing at 10:00am (WST) at Kin Mining NL, 342 Scarborough Beach Rd, Osborne Park, Western Australia.

The Directors recommend that shareholders read this Explanatory Statement in full.

This Explanatory Statement forms part of and should be read in conjunction with the accompanying Notice of Meeting.

2. RATIFICATION OF SHARE ISSUE – Waterton Global L.P. (Resolution 1)

Resolution 1 of the Notice of Meeting seeks Shareholder ratification of the issue of 1,000,000 Shares to Waterton Global Value L.P. (“**Waterton**”) pursuant to the Deed of Variation to the Share Sale Agreement dated 8 September 2014, for the purposes of satisfying Listing Rule 7.4.

Resolution 1 operates to seek ratification of the issue of 1,000,000 Shares pursuant to Listing Rule 7.4.

If Resolution 1 is approved, the Shares will not be included in the Company’s 15% calculation for the purposes of Listing Rule 7.1.

In compliance with the information requirements of Listing Rule 7.5, Shareholders are advised of the following particulars in relation to the issue of Shares pursuant to Resolution 1:

(a) **Number of securities allotted and issued**

1,000,000 Shares

(b) **Date of Issue**

The Shares were issued on 3 November 2014.

(c) **Price at which securities were allotted and issued**

No consideration is payable to the Company for the Shares.

(d) **The terms of the securities**

The Shares are ordinary fully paid shares which rank equally with existing Shares on issue.

(e) **The basis on which allottees were determined**

The Shares will be issued to Waterton Global Value L.P. as consideration for Waterton Global Value L.P. as the secured creditor of Navigator Mining Pty Ltd (subject to a deed of company arrangement) consenting to the variation of the Share Sale Agreement.

3. FINANCIAL ASSISTANCE (Resolution 2)

3.1 General

Resolution 2 seeks Shareholder approval, pursuant to section 260B(2) of the Corporations Act, for financial assistance which is proposed to be provided by Navigator Mining Pty Ltd (**Navigator**). Under the Company’s

finance arrangements, Navigator will be required to accede to the loan agreement between the Company, Waterton Global Value L.P. (**Waterton**) and Navigator Resources Ltd (subject to Deed of Company Arrangement) ACN 063 366 487 (**Navigator Resources**) dated 3 November 2014 (**Loan Agreement**) in favour of Waterton.

Approval is sought by special resolution which requires at least 75% of the votes that are cast on the resolution to be in favour of the resolution.

3.2 Background

On 3 November 2014, the Company acquired all of the issued shares in the capital of Navigator (**the Acquisition**) from Navigator Resources on the terms set out in the share sale agreement dated 27 May 2014 between Navigator Resources and the Company, as varied by the variation deed dated 9 September 2014 and the variation deed dated 3 November 2014 between those parties (**Share Sale Agreement**).

A portion of the purchase price payable by the Company to Navigator Resources under the Share Sale Agreement comprises a \$1,350,000 debt due by the Company to Waterton payable in accordance with:

- (a) the Loan Agreement; and
- (b) the tripartite deed dated 3 November 2014 between the Company, Waterton, Navigator Resources and Navigator (**Tripartite Deed**).

The Loan Agreement contemplates that Navigator will accede to the Loan Agreement as the Guarantor (as defined in the Loan Agreement) by providing:

- (a) an accession letter substantially in the form set out in Schedule 2 of the Loan Agreement; and
- (b) all of the documents and other evidence listed in Schedule 1 of the Loan Agreement, including a general security deed in favour of Waterton in respect of all or substantially all of the assets of Navigator.

It is proposed that Navigator will provide the following financial assistance, (within the meaning of Part 2J.3 of the Act) in connection with the Acquisition, as Guarantor under the Loan Agreement:

- (a) the guarantee and indemnity contained in Clause 10 of the Loan Agreement, pursuant to which Navigator will guarantee all obligations of the Company under the Loan Agreement and the other Finance Documents as defined therein (together, the **Finance Documents**); and
- (b) security in favour of Waterton in respect of all or substantially all of the assets of Navigator to secure the obligations of the Company and Navigator under the Loan Agreement and those other Finance Documents.

Under section 260A(1) of the Corporations Act, a company may financially assist a person to acquire shares in it or its holding company only in certain limited circumstances, including where the assistance is approved by shareholders under section 260B.

Under section 260B(1) of the Corporations Act, shareholder approval must be given by the shareholders of the company at a general meeting by either:

- (a) a special resolution, with no votes being cast in favour of the resolution by the person acquiring the shares (or units of shares) or by their associates; or
- (b) a resolution agreed to, at a general meeting, by all ordinary shareholders.

3.3 Effect of Financial Assistance

The effect of the financial assistance on Navigator is that Navigator will have granted guarantees and security over all of its assets, in respect of amounts payable under or in connection with the Finance Documents. This means that Navigator may be called upon to pay amounts outstanding under the Finance Documents if the Company does not pay those amounts and, if Navigator does not pay those amounts, Waterton will be entitled to enforce the security and recover amounts outstanding under the Finance Documents from the proceeds of sale of Navigator's assets.

This also means that on a winding up of Navigator, the claims of Waterton with respect to amounts payable under the Finance Documents will rank ahead of the entitlements of Kin as Navigator's shareholder. The operations of Navigator will also be restricted by the representations, warranties and undertakings given by it under the Finance Documents.

The Directors believe that the financial assistance described above will enable the Company to comply with certain obligations under the Finance Documents. If such obligations are not complied with, an event of default will occur under the relevant Finance Documents and the facilities may be required to be repaid. This could have an adverse impact on the business and operations of the Company.

The Directors do not believe that there will be a material adverse effect on the Company's shareholders or its ability to pay creditors if the shareholders approve Navigator providing the financial assistance described above.

3.4 Directors' Recommendation

The Directors consider that this Explanatory Statement contains all information known to the Company that would be material to the decision of the Company's Shareholders on how to vote on the financial assistance resolution set out in Resolution 2, other than information which would be unreasonable to include because it had previously been disclosed to Shareholders.

The Directors unanimously recommend that the shareholders of the Company vote in favour of Resolution 2.

4. APPROVAL FOR FUTURE ISSUE OF SHARES (Resolution 3)

4.1 General

Resolution 3 seeks Shareholder approval for the issue of up to 5,000,000 Shares. The capital raising will be undertaken via the issue of Shares to sophisticated and professional investors pursuant to section 708 of the Corporations Act.

The Company intends to use the funds from the capital raising towards ongoing exploration expenditure on the Company's existing projects as well as the Leonora gold project and for additional working capital.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12 month period than that amount which represents 15% of the number of fully paid ordinary securities on commencement of that 12 month period.

The effect of Resolution 3 will be to allow the Directors to issue the Shares comprising the capital raising during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

4.2 Technical information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the issue of Shares:

- (a) the maximum number of Shares to be issued is 5,000,000;
- (b) the Shares will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and that the issue will occur progressively;
- (c) the Shares will be issued at a price of at least 80% of the volume weighted average price of the Company's Shares as traded on ASX over the 5 day period on which sales in the Company's Shares are recorded preceding the date of issue of the Shares or, if the Shares are offered pursuant to a prospectus, at least 80% of the average market price of the Company's Shares as traded on the ASX over the 5 day period on which sales in the Company's Shares are recorded preceding the date of issue;

- (d) the issue of Shares will be made at the discretion of the Directors. It is intended that the allottees will be sophisticated and professional investors pursuant to section 708 of the Corporations Act.
- (e) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the capital raising towards the early stage development of the Lewis prospect, ongoing exploration and evaluation expenditure on the Company's existing projects including the Leonora gold project and for additional working capital.

5. DEFINITIONS

ASX	means ASX Limited ABN 98 008 624 691.
Constitution	means the Company's constitution.
Corporations Act	means the Corporations Act 2001 (Cth).
Directors	means the current directors of the Company.
Explanatory Statement	means this Explanatory Statement.
KIN or the Company	means Kin Mining NL ACN 150 597 541.
Listing Rules	means the official listing rules of ASX.
Meeting	means the general meeting convened by the Notice of Meeting.
Notice of Meeting	means the notice of general meeting which forms part of this Explanatory Statement.
Share	means a fully paid ordinary share in the capital of the Company.
Shareholder	means a holder of a Share.

PROXY FORM

The Secretary
 Kin Mining NL
 342 Scarborough Beach Road
 Osborne Park WA

I/We (full name) _____

of _____

being a member(s) of Kin Mining NL, hereby appoint as my/our proxy

_____ of _____

or, failing him/her the Chairperson of the Meeting to attend and vote for me/us at the General Meeting of the Company to be held at 10:00am (WST) on Friday, 20 March 2015 and at an adjournment thereof in respect of _____% of my/our shares or, failing any number being specified, ALL of my/our shares in the Company.

RESOLUTIONS

	FOR	AGAINST	ABSTAIN		
1 Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
2 Financial Assistance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
3 Approval of Future Issue of Shares	<input type="checkbox"/>				

Where permitted, the Chairman intends to vote all undirected proxies in favour of all resolutions.

If the member is an individual or joint holder:

 Usual Signature

 Usual Signature

Dated this _____ day of _____ 2015.

If the member is a Company:

Signed in accordance with the
 Constitution of the company
 in the presence of:

 Director/Sole Director

 Director/Secretary

 Sole Director and Sole Secretary

Dated this _____ day of _____ 2015.

INSTRUCTIONS FOR COMPLETING PROXY FORM

1. A member entitled to attend and vote is entitled to appoint not more than two proxies.
2. Where more than one proxy is appointed and that appointment does not specify the proportion or number of the member's votes, each proxy may exercise half of the votes.
3. A proxy need not be a member of the Company.
4. If the member is a company it must execute under its Common Seal or otherwise in accordance with its Constitution.

LODGING YOUR PROXY FORM

To be valid, your proxy form (and any power of attorney under which it is signed) must be received at the address given below no later than 5.00pm (WST) on Wednesday, 18 March 2015. Any proxy form received after that time will not be valid for the scheduled meeting.

In person: Kin Mining NL
 342 Scarborough Beach Road
 Osborne Park 6017

By mail: Kin Mining NL
 342 Scarborough Beach Road
 Osborne Park 6017

By email: info@kinmining.com.au