

# **Kin Mining N.L.**

ACN 150 597 541

***Notice of General Meeting***

***Explanatory Memorandum***

***and***

***Proxy Form***

**Date of Meeting**

Thursday, 3 September 2015

**Time of Meeting**

11.00am (WST)

**Place of Meeting**

First Floor, 342 Scarborough Beach Road, 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 Thursday, 3 September 2015, commencing at 11am (WST) at First Floor, 342 Scarborough Beach Road, Osborne Park, Perth, Western Australia.

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

### AGENDA

#### SPECIAL BUSINESS

##### Resolution 1: Ratification of Share Issues - Consultants

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 a total of 496,000 Shares to the parties set out in the Explanatory Memorandum and on the terms and conditions set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** In accordance with Listing Rule 7.5.6 the Company will disregard any votes cast on this Resolution by any person who participated in the issue the subject of this resolution and any person associated with those persons. However, the Company need 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: Ratification of Share Issue – Placement to Sophisticated Investors

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 3,470,000 Shares by way of private placement to sophisticated and professional investors as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by any person who participated in the issue and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or, 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 3: Approval to Issue 5,000,000 Unlisted Options to Sophisticated Investors

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 5,000,000 Unlisted Options to sophisticated and professional investors (who are not related parties of the Company), as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution 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 proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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 4: Approval to Complete a Share Purchase Plan Offer with Unlisted Options**

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

*“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Company to issue up to 20,000,000 Shares and up to 10,000,000 Unlisted Options as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** In the absence of a waiver being granted by ASX under Listing Rule 7.3.8 to permit any person who has an interest in this Resolution (and therefore would otherwise be ordinarily excluded from voting on this Resolution) to vote, the Company will disregard any votes cast on this Resolution 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 proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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.

**Important information in relation to the voting exclusion statement:** Eligible Shareholders, being a person who may participate in the proposed issue, are, in the absence of a waiver from ASX Listing Rule 7.3.8, excluded from voting on this Resolution. The Company intends to apply for a waiver from ASX Listing Rule 7.3.8 to enable Eligible Shareholders to vote in relation to this Resolution notwithstanding they may participate in the proposed issue. The outcome of the waiver application will be advised by way of an ASX announcement prior to the date of the Meeting. If the waiver is not granted by ASX, the only Shareholders who will be entitled to vote in relation to this Resolution are those who are not eligible to participate in the SPP Offer (because they were Shareholders at the Record Date but have a registered address outside Australia or New Zealand, or they were not Shareholders on the Record Date) or, at the time of voting they have not applied for Shares and Unlisted Options under the SPP Offer.

#### **Resolution 5: Issue of Securities to Related Party in Lieu of Cash Payment for Fees – Mr Trevor Dixon**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,100,000 Shares and 550,000 Options to Trevor Dixon (or his nominee), as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Trevor Dixon (or his nominee) and any of his associates.. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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 Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 6: Issue of Securities to Related Party in Lieu of Cash Payment for Fees – Mr Giuseppe Graziano**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Shares and 500,000 Options to Giuseppe Graziano (or his nominee), as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Joe Graziano (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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 Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 7: Issue of Securities to Related Party in Lieu of Cash Payment for Fees – Fritz Fitton**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 650,000 Shares and 325,000 Options to Fritz Fitton (or his nominee), as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Fritz Fritton (or nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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 Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 8: Issue of Securities to Related Party in Lieu of Cash Payment for Fees – Terry Grammer**

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

*“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue up to 200,000 Shares and 100,000 Options to Terry Grammer (or his nominee), as set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** The Company will disregard any votes cast on this Resolution by Terry Grammar (or nominee) or any of his associates.. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, 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 Prohibition Statement:**

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

**Resolution 9: Section 195 Approval**

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

*“That, for the purposes of section 195(4) of the Corporations Act and for all other purposes, approval is given for the Company to complete the transactions as contemplated in this Notice of Meeting.”*

#### **Resolution 10: Issue of Convertible Notes**

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 7.1 and for all other purposes, approval is given for the issue of convertible notes having a face value of up to \$900,000 to the parties set out in the Explanatory Memorandum and on the terms and conditions set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** In accordance with Listing Rule 7.5.6 the Company will disregard any votes cast on Resolution 10 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 11: Approval of Security Arrangements**

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

*“That, subject to the passing of resolution 10 and for all other purposes, approval is given for the Company to grant to the Convertible Note Holder the General Security over all of the assets of Navigator Mining Pty Ltd and on the terms and conditions set out in the accompanying Explanatory Memorandum.”*

**Voting exclusion:** In accordance with Listing Rule 7.5.6 the Company will disregard any votes cast on Resolution 11 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.

#### **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 31 August 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**



**Joe Graziano**  
**Company Secretary**  
31 July 2015

## EXPLANATORY MEMORANDUM

### 1. Introduction

This Explanatory Memorandum 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 3 September 2015, commencing at 11am (WST) at First Floor, 342 Scarborough Beach Rd, Osborne Park, Western Australia.

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

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

### 2. Background to the Capital Raising

On 9 June 2015 the Company announced a capital raising comprising:

- (a) a placement to raise up to \$1,000,000 ("**Placement**"); and
- (b) an offer to Eligible Shareholders via a Securities Purchase Plan to raise up to \$2,000,000 ("**SPP Offer**").

(together the "**Capital Raising**").

The Company is seeking to raise up to a total of \$3,000,000 (before transaction costs) under the Capital Raising). The funds raised will be applied towards the Leonora Gold Project. The funds will be specifically used to:

- (a) complete a pre-feasibility study over the Leonora Gold Project;
- (b) procure JORC 2012 compliant upgrades of existing resources within the Leonora Gold Project; and
- (c) infill and extensional drilling at Mertondale.

The Company issued a total of 3,470,000 Shares ("**Placement Shares**") to sophisticated and professional investors at an issue price of 10 cents per Share. The terms of the Placement provide that one (1) free attaching Option will be issued for every two (2) Shares subscribed for by investors ("**Placement Options**").

The Placement Shares were issued under the Company's 15% capacity under Listing Rule 7.1. Resolution 2 seeks ratification of the issue of the Placement Shares. Resolution 3 seeks Shareholder approval of the issue of the Placement Options.

In conjunction with the Placement, the Company is providing the opportunity for Eligible Shareholders to participate in raising up to a further \$2,000,000 via a Securities Purchase Plan. Under the SPP Offer, Eligible Shareholders may apply for up to \$3,000 of new Shares at an issue price of 10 cents per Share together with one (1) free attaching Option for every two (2) Shares applied for and issued, consistent with the Placement.

Shares and Options not taken up pursuant to the SPP Offer ("**Shortfall Securities**") will form the shortfall ("**Shortfall Offer**"). The Company may also issue additional Securities under its annual placement capacity under ASX Listing Rule 7.1 as part of the Shortfall Offer under the prospectus issued in connection with the Securities Purchase Plan. The Directors reserve the right to issue at their discretion any Shortfall Securities under the Shortfall Offer.

Resolution 4 seeks Shareholder approval for the issue of the SPP Shares and SPP Options to raise up to \$2,000,000.

### 3. Ratification of Share Issues – Consultants (Resolution 1)

On the following dates, the Company issued to the following consultants the following numbers of Shares:

Date	Consultant	Number of Shares Issued
12 June 2015	Mr Keith Ross	36,000
12 June 2015	Resource 2000 Pty Ltd	115,000
12 June 2015	Mr Frank Cannavo	165,000
12 June 2015	Amber Corporate Pty Ltd	150,000
12 June 2015	Mr Graham Turville-Ince	30,000

Resolution 1 seeks ratification by Shareholders for the issue of 496,000 Shares previously issued by the Company.

ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities if, when aggregated with other issues or agreements to issue of equity securities over the previous 12 month period and not subject to an exception to ASX Listing Rule 7.1, the number of equity securities to be issued or agreed to be issued exceeds 15% of the number of fully paid ordinary securities of the company on issue at the commencement of that 12 month period.

Under ASX Listing Rule 7.4 it is possible for shareholders to approve an issue of securities which has already taken place, with the effect that the approved issued will be exempt from being counted towards the portion of the 15% limit that has been used. That is, 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**

496,000 Shares were issued.

(b) **Date of Issue**

The Shares were issued on 12 June 2015.

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

No consideration was paid to the Company for the Shares. The consultants provided services to the Company and in lieu of being paid cash for their services, were issued with the Shares the subject of this Resolution.

(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 consultants listed above as consideration for Services rendered to the Company.

The Board recommends Shareholders vote in favour of Resolution 1 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without the requirement to obtain prior Shareholder approval.



#### **4. Ratification of Share Issue – Placement to Sophisticated Investors (Resolution 2)**

Resolution 2 seeks ratification by Shareholders for the issue of 3,470,000 Shares pursuant to the Placement. These Shares were issued without Shareholder approval. Resolution 2 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 of the Shares issued under the Placement.

ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities if, when aggregated with other issues or agreements to issue of equity securities over the previous 12 month period and not subject to an exception to ASX Listing Rule 7.1, the number of equity securities to be issued or agreed to be issued exceeds 15% of the number of fully paid ordinary securities of the company on issue at the commencement of that 12 month period.

Under ASX Listing Rule 7.4 it is possible for shareholders to approve an issue of securities which has already taken place, with the effect that the approved issued will be exempt from being counted towards the portion of the 15% limit that has been used. That is, if Resolution 2 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 2:

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

3,470,000 Shares were issued.

(b) **Date of Issue**

The Shares were issued on 12 June 2015.

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

\$0.10 per Share.

(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 were issued to sophisticated and professional investors none of which are related parties of the Company. The Company intends to use the funds raised from the Placement towards the completion of a pre-feasibility study over the Leonora Gold Project.

The Board recommends Shareholders vote in favour of Resolution 2 as it allows the Company to retain the flexibility to issue further securities representing up to 15% of the Company's share capital during the next 12 months without the requirement to obtain prior Shareholder approval.

If shareholders ratify the issue of the 3,470,000 Shares, they will be exempt from being counted towards the portion of the 15% limit that has been used.

#### **5. Approval to Issue Unlisted Options (Resolution 3)**

As detailed in Section 2 of this Explanatory Statement, the Company undertook the Placement to raise up to \$1,000,000 (before transaction costs).

Resolution 3 seeks Shareholder approval under ASX Listing Rule 7.1 for the issue of up to 5,000,000 Options for nil consideration to subscribers under the Placement on the basis of one (1) Unlisted Option for every two (2) Shares subscribed for.

A summary of ASX Listing Rule 7.1 is set out in Section 4 above.

The issue of the Unlisted Options to the subscribers was not able to be completed at the time of issue of the Placement Shares the subject of Resolution 2 because there was no further placement capacity available and so their issue is subject to Shareholder approval.

The effect of Shareholders approving Resolution 3 is to allow the Company to issue the Options during the three (3) months after the General Meeting (or a longer period of allowed by the ASX), without using the Company's 15% placement capacity.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

(a) **Number of Unlisted Options to be issued**

The maximum number of Options to be issued is 5,000,000.

(b) **Date of issue**

The Options will be issued no later than three (3) months after the date of the meeting (or such other date as is permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission) and it is intended that the issue will occur on the same date.

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

The Options will be issued for nil consideration as they are free with the Placement Shares at a ratio of 1 Option for every 2 Shares subscribed for and issued.

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

The Options will be issued to the subscribers under the Placement. The Options will be issued on the terms and conditions as set out in Schedule 1.

(e) **The intended use of the funds raised**

No funds will be raised from the issue of the Options as the Options will be issued for nil consideration on a free attaching basis.

**6. Approval to Complete a Share Purchase Plan (Resolution 4)**

As detailed in Section 2 of this Explanatory Statement, the Company is providing an opportunity to Eligible Shareholders to participate in the SPP Offer.

Resolution 4 seeks shareholder approval under ASX Listing Rule 7.1 for the issue of the SPP Shares and SPP Options under the SPP Offer.

The SPP Offer will be conducted on the same terms as the Placement enabling Shareholders to participate in the Capital Raising on substantially the same terms as the subscribers under the Placement the subject of Resolution 2.

The Company proposes to make the SPP Offer to Eligible Shareholders in a manner materially the same as a traditional share purchase plan. The SPP Offer will be for Shares at an issue price of 10 cents per Shares with one free attaching Option for each two Shares subscribed for and issued.

The offer of Unlisted Options under the SPP Offer means the Company cannot rely on the relief provided by ASIC Class Order [CO 09/425] to make that component of the offer without a prospectus. As a result both the Shares and the Unlisted Options the subject of the SPP Offer will be made pursuant to a Prospectus for the purposes of Chapter 6D of the Corporations Act.

Under the SPP Offer, the Company will seek to issue a maximum of 20,000,000 Shares at an issue price of \$0.10 per Share and 10,000,000 attaching Unlisted Options. The Company will raise up to \$2,000,000 from the issue of the Shares, with the potential for further funds to be raised if the attaching Options are exercised.

Under the SPP Offer, Eligible Shareholders will be able to apply for up to 150,000 Shares (i.e. payment of \$15,000) and in the event more than \$2,000,000 is applied for, applications will be scaled back. In the event less than \$2,000,000 is applied for, the balance will revert to the Shortfall Offer to continue beyond the closing date of the SPP Offer. Applications under the Shortfall Offer will be dealt with at the Directors' discretion. Further details of the SPP Offer and the Shortfall Offer will be set out in a prospectus to be distributed to Eligible Shareholders and made available on the ASX company announcements platform.

It is intended that the proceeds of the SPP Offer (and any funds raised on the exercise of the attaching Options) and where the SPP Offer is not fully subscribed the proceeds of the Shortfall Offer also, will be used by the Company to fund development work with respect to the Leonora Gold Project.

A summary of ASX Listing Rule 7.1 is set out above in relation to Resolution 1.

Resolution 4 seeks Shareholder approval for the purposes of ASX Listing Rule 7.1 for the issue of the Shares and Options the subject of the SPP Offer and the Shortfall Offer during the three (3) months after the General Meeting (or a longer period of allowed by the ASX), without using the Company's 15% placement capacity.

A voting exclusion applies to Resolution 4. Under that voting exclusion, Eligible Shareholders, being a person who may participate in the proposed issue, are, in the absence of a waiver from ASX Listing Rule 7.3.8, excluded from voting on Resolution 4. The Company intends to apply for a waiver from ASX Listing Rule 7.3.8 to enable Eligible Shareholders to vote in relation to Resolution 4 notwithstanding they may participate in the proposed issue. The outcome of the waiver application will be advised by way of an ASX announcement prior to the date of the Meeting. If the waiver is not granted by ASX, the only Shareholders who will be entitled to vote in relation to Resolution 4 are those who are not eligible to participate in the SPP Offer (because they were Shareholders at the Record Date but have a registered address outside Australia or New Zealand, or they were not Shareholders on the Record Date) or, at the time of voting they have not applied for Shares and Options under the SPP Offer.

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

(a) **Number of securities to be issued**

The maximum number of Shares to be issued is 20,000,000 and the maximum number of Options to be issued is 10,000,000 on the basis of one (1) Option for every two (2) Shares subscribed for and issued.

(b) **Date of issue**

The Shares and Options will be issued no later than three (3) months after the date of the meeting (or such other date as is permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission) and it is intended that the issue of the Shares and Options will occur on the same date.

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

The Shares will be issued at \$0.10 per Share and the Options will be issued for nil consideration as they are free attaching with the Shares on a one for two (1:2) basis.

(d) **The basis on which allottees will be determined**

The Shares and Options will be issued to applicants under the prospectus to be issued by the Company in respect of the SPP Offer and Shortfall Offer. Eligible Shareholders will be able to apply under the SPP Offer and where the SPP Offer is not fully subscribed the balance will revert to the Shortfall Offer which will be a general public offer with applications dealt with at the Directors' discretion. None of these applicants will be related parties of the Company.

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

Shares issued will be fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares. The Options will be issued on the terms and conditions as set out in Schedule 1.

(f) **The intended use of the funds raised**

Funds raised from the SPP will be applied to fund the development of the Leonora Gold Project and for general working capital purposes.

The SPP Offer and Shortfall Offer are not underwritten but should demand exceed the maximum 20,000,000 Shares, the Directors reserve the right to accept over subscriptions which will be issued out of the Company's placement capacities provided by ASX Listing Rules 7.1 and 7.1A.

**7. Issue of Shares to Related Party in Lieu of Cash Payment (Resolutions 5 to 8)**

**7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to the issue by the Company of:

- (a) up to 1,100,000 Shares and 650,000 Options to Mr Trevor Dixon (or his nominee) in lieu of accrued Directors' fees, loans provided to the Company and salary under his employment agreement;
- (b) up to 1,000,000 Shares and 500,000 Shares and 500,000 Options to Mr Giuseppe Graziano (or his nominee) in lieu of accrued Directors' fees, loans provided to the Company and consultancy fees pursuant to his consultancy agreement;
- (c) up to 650,000 Shares and 325,000 Options to Mr Fritz Fitton (or his nominee) in lieu of accrued Directors' fees and consultancy fees pursuant to his consultancy agreement; and
- (d) up to 200,000 Shares and 100,000 Options to Mr Terry Grammer (or his nominee) in lieu of accrued Directors' fees;

(together the "**Related Party Securities**") on the terms and conditions set out below.

Resolutions 5 to 8 seek Shareholder approval for the issue of the Related Party Securities to the Directors (or their nominees). To the extent Shareholders do not approve the issue of the Shares, the Directors will be entitled to be paid their respective deferred salary, loans (if applicable) and fees in cash.

It is proposed that the Related Party Securities will be issued on the same terms as those offered under the Placement and the SPP Offer.

**7.2 Related Party Securities**

In relation to the Related Party Securities, the Company will issue Directors the following:

- (a) 1,100,000 Shares and 550,000 Options will be issued to Mr Trevor Dixon (or his nominee) in satisfaction of unpaid salary, loans made to the Company and Director fees owed to Mr Dixon for the period from 10 January 2015 to 10 June 2015 to the value of \$110,000;
- (b) 1,000,000 Shares and 500,000 Options will be issued to Mr Giuseppe Graziano (or his nominee) in satisfaction of unpaid Director fees, loans made to the Company and consultancy fees owed to Mr Graziano for the period from 10 January 2015 to 10 June 2015 to the value of \$100,000;
- (c) 650,000 Shares and 325,000 Options will be issued to Mr Fritz Fitton (or his nominee) in satisfaction of unpaid Director fees, interest on loan and consultancy fees owed to Mr Fitton for the period from 10 January 2015 to 10 June 2015 to the value of \$65,000; and
- (d) 200,000 Shares and 100,000 Options will be issued to Mr Terry Grammer (or his nominee) in satisfaction of unpaid Director fees for the period from 10 January 2015 to 10 June 2015 to the value of \$20,000.

The issue price for the Related Party Securities was, with respect to Related Party Securities issued to Mr Dixon, Mr Graziano, Mr Fitton and Mr Grammer in lieu of Director fees, Loans made to the Company, interest on loans or consultancy fees accrued in a particular month, the same price as the Placement and the SPP Offer and based on the same terms as the Placement at 10 cents per Share plus one free Option for every two Shares issued.

### 7.3 Maximum issue of Related Party Securities that may be issued

Section 7.1 sets out the maximum number of Related Party Securities that may be issued under Resolutions 5 to 8. The Dilutionary effect on existing Shareholders if the maximum number of Related Party Securities are issued is set out below:

Director	Related Party Shares	Related Party Options	Dilutionary effect on existing Shareholders of Shares
Mr Trevor Dixon	1,100,000	550,000	1.1%
Mr Giuseppe Graziano	1,000,000	500,000	1.0%
Mr Fritz Fitton	650,000	325,000	0.7%
Mr Terry Grammer	200,000	100,000	0.2%

Notes:

- Assumes the SPP Offer is fully subscribed, Options are exercised under Resolutions 3, 4, 5,6,7 and 8 and is based on a capital structure of 98,543,690 (being 53,084,690 currently on issue plus Shares to be issued under SPP Offer and Shares to be issued under Resolutions 3 to 8).

### 7.4 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of the Related Party Securities constitutes giving a financial benefit and Mr Dixon, Mr Graziano, Mr Fitton and Mr Grammer are related parties of the Company by virtue of each of them being a Director.

The Directors consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the issue of the Related Party Securities because the payment of directors' fees and the agreement to pay Mr Dixon, were reached as part of the remuneration package for Mr Dixon, and are considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

### 7.5 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party of the entity which includes directors, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

As the issue of the Related Party Securities to Directors involves the issue of securities of a related party of the Company, Shareholder approval pursuant to Listing Rule 10.11 is required unless an exception

applies. It is the view of the Directors that the exceptions set out in Listing Rule 10.12 do not apply in the current circumstances.

Approval pursuant to Listing Rule 7.1 is not required for the issue of the Related Party Securities as approval is being obtained under Listing Rule 10.11. Accordingly, the issue of the Related Party Securities to the Directors (or their nominees) will not be included in the use of the Company's annual 15% annual placement capacity pursuant to Listing Rule 7.1.

#### **7.6 Technical Information required by ASX Listing Rule 10.13**

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolutions 5 to 8.

(a) **The relationship**

The Related Party Securities will be issued to Mr Dixon, Mr Graziano, Mr Fitton and Mr Grammer (or their respective nominees) who are all related parties of the Company by virtue of being Directors.

(b) **Maximum number of Securities that may be acquired**

As set out in section 7.3 above.

(c) **Price and Proceeds of Securities**

As set out in section 7.2 above the Related Party Securities will be issued in lieu of each Director's entitlement to receive director's fees, salary and fees from 10 January 2015 to 10 June 2015. Accordingly no funds will be raised by the issue of the Related Party Securities.

(d) **Persons entitled to participate**

Mr Dixon, Mr Graziano, Mr Fitton and Mr Grammer.

(g) **Date of issue**

The Shares and Options will be issued no later than one (1) month after the date of the meeting (or such other date as is permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission) and it is intended that the issue of the Related Party Securities will occur on the same date.

Approval pursuant to ASX Listing Rule 7.1 is not required for the issue of the Related Party Securities as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Related Party Securities to the Related Parties (or their nominees) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

(h) **Status of Securities**

The Shares issued to the Directors 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. The Options issued will be issued on a one for two basis and otherwise on the same terms as the Placement Options and Options granted under the SPP Offer.

#### **8 Section 195 Approval (Resolution 9)**

Approval of Resolutions 5 to 8 may result in the Directors having a "material personal interest" in the matters referred to in this Notice. In the absence of this Resolution 9, the Directors may not be able to form a quorum at any meetings necessary to carry out the transactions contemplated by Resolutions 5 to 8.

Accordingly, Shareholder approval is being sought to allow the Directors to form a quorum to implement the transactions contemplated in this Notice.

## 9 Approval to Issue Convertible Notes (Resolution 10)

On the 25<sup>th</sup> of February 2015 the Company announced that it has agreed to issue convertible notes to a sophisticated investor (“**Convertible Note Holder**”) with a face value of up to \$900,000 to assist the Company financing the commercial development of the Lewis Prospect which forms part of the Cardinia Project.

A term sheet contains the material terms set out below:

- (a) the maturity date is two years from the date of the first drawdown;
- (b) the funds are to be advanced in two tranches. The first tranche of \$400,000 is subject to and conditional upon:
  - (i) the Mines Department granting all approvals necessary to enable the commencement of mining operations on M37/86 and M37/227 being that part of the Cardinia Project known as the “Lewis” prospect;
  - (ii) the consent of Waterton Global Value LLP (“**Waterton**”) pursuant to the Waterton security documents and the execution of any priority or subordination deed requested by Waterton as a condition of execution of the Security. The rights of the Convertible Note Holder remain subject to the prior rights of Waterton’s existing security and financing arrangements with the Company; and
  - (iii) the Shareholders approving the issue of all Convertible Notes issued or to be issued under the First Tranche pursuant to the ASX Listing Rules.
- (c) the second tranche of \$500,000 is subject to and conditional upon:
  - (i) the Company confirming to the Convertible Note Holder that construction of all infrastructure has been completed and mining operations on M37/86 and M37/227 (being that part of the Cardinia Project known as the “Lewis” prospect) are able to commence;
  - (ii) the Shareholders approving the issue of all Convertible Notes issued or to be issued under the First Tranche pursuant to the ASX Listing Rules.
- (d) subject to the terms of a gold delivery agreement (the details of which are set out in the announcement dated 25 February 2015), no interest is payable on the outstanding monies.
- (e) The Company has the right to redeem the Convertible Notes at any time by repayment of the outstanding monies before the maturity date.
- (f) If the Convertible Note has not been redeemed or converted on or before the maturity date, the Company must repay the \$900,000. Events of default include the failure to pay money due under the convertible note, failing to remedy a breach of the Convertible Note or undergoing an event of insolvency.
- (g) The conversion price is determined on the following basis:
  - (i) If the Company’s closing Share Price on the date of the Conversion Notice is above \$0.18, the Issue Price will be the price equal to a 15% discount to the average volume weighted Share Price over the 30 trading days prior to the date of the Conversion Notice;
  - (ii) If the Company’s closing Share Price on the date of the Conversion Notice is between \$0.12 and \$0.18, the Issue Price will be the price equal to a 20% discount to the average volume weighted Share Price over the 30 trading days prior to the date of the Conversion Notice; and
  - (iii) If the Company’s closing Share Price on the date of the Conversion Notice is below \$0.12, the Issue Price will be the price equal to a 25% discount to the average volume weighted Share Price over the 30 trading days prior to the date of the Conversion Notice in the case of an issue of Shares:

ASX Listing Rule 7.1 provides that a listed company must not issue or agree to issue equity securities if, when aggregated with other issues or agreements to issue of equity securities over the previous 12 month period and not subject to an exception to ASX Listing Rule 7.1, the number of equity securities to be issued or agreed to be issued exceeds 15% of the number of fully paid ordinary securities of the company on issue at the commencement of that 12 month period.

By approving Resolution 10, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior shareholder approval.

The number of Shares that may be issued if the Company does elect to convert the Convertible Notes is unknown at present because the conversion price of the Convertible Note to determine the number of Shares to be issued is based on the formula set out in paragraph (g) above. Examples of difference scenarios are set out below:

Assumed conversion price prior to Maturity Date	Conversion Price	Number of Shares to be Issued
\$0.19	\$0.1652	5,447,942
\$0.15	\$0.125	7,200,000
\$0.10	\$0.08	11,250,000

The following information is provided in accordance with the requirements of ASX Listing Rule 7.3:

(a) **Number of securities to be issued**

A maximum of 900,000 convertible notes may be issued to the Convertible Note Holder. If all of the Convertible Notes are converted at the election of the Convertible Note Holder then the maximum number of Shares to be issued is unknown at this time because the conversion price is determined in accordance with the formula set out above. The table above sets out some possible scenarios as to the number of Shares which may be issued if the conversion does occur.

(b) **Date of issue**

Any convertible notes will be issued no later than three (3) months after the date of the meeting (or such other date as is permitted by an ASX waiver of the Listing Rules, the Corporations Act 2001 and/or the Australian Securities and Investments Commission) and it is intended that the issue of the convertible notes will occur on the same date.

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

The consideration for the issue of the Convertible Notes was the provision of a \$900,000 facility upon the conditions set out above. The terms of the Convertible Notes are set out above.

(d) **The basis on which allottees will be determined**

The Shares will be issued to the Convertible Note Holder who is an unrelated sophisticated investor.



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

Shares issued will be fully paid ordinary shares in the capital of the Company and issued on the same terms and conditions as the Company's existing Shares.

(f) **The intended use of the funds raised**

Funds raised from the Convertible Note will be used to fund the development and construction of the infrastructure at the Company's Lewis Project to allow for the commencement of production.

**10 Approval to Enter into Security Arrangements (Resolution 11)**

It is a term of the Convertible Note Agreement that the Convertible Notes and principal sums advanced under it be secured by a general security over the assets of Navigator Mining Pty Ltd, being the subsidiary of the Company that holds all of the assets comprising the Leonora Gold Project ("**Security Arrangements**").

The Security Arrangements will include Navigator Mining Pty Ltd entering into a security deed with the Convertible Note Holder pursuant to which Navigator will grant a security interest over the all of the assets of Navigator. The security interest will secure the repayment of all monies advanced under the Convertible Note Agreement. The Security Arrangements will be subordinate and secondary to Waterton's existing security over the assets of Navigator. The terms and conditions contained in the security arrangements are otherwise standard for a document of this nature.

**11 Definitions**

<b>ASX</b>	means ASX Limited ABN 98 008 624 691.
<b>Board</b>	means the Company's board of directors.
<b>Capital Raising</b>	has the meaning given to it in Section 2.
<b>Constitution</b>	means the Company's constitution.
<b>Convertible Note</b>	has the meaning given to in Section 9.
<b>Convertible Note Holder</b>	has the meaning given to in Section 9.
<b>Corporations Act</b>	means the Corporations Act 2001 (Cth).
<b>Directors</b>	means the current directors of the Company.
<b>Eligible Participant</b>	has the meaning given to it in Section 2.
<b>Eligible Shareholder</b>	means a Shareholder as at the record date of 5pm on 9 June 2015 whose address on the register is in Australia or New Zealand.
<b>Explanatory Statement</b>	means this Explanatory Memorandum.
<b>KIN or the Company</b>	means Kin Mining NL ACN 150 597 541.
<b>Listing Rules</b>	means the official listing rules of ASX.
<b>Meeting</b>	means the general meeting convened by the Notice of Meeting.
<b>Navigator</b>	means Navigator Mining Pty Ltd

<b>Notice of Meeting</b>	means the notice of general meeting which forms part of this Explanatory Memorandum.
<b>Option</b>	means an option to acquire a Share on the terms set out in Schedule 1.
<b>Placement</b>	has the meaning given to it in Section 2.
<b>Placement Options</b>	has the meaning given to it in Section 2.
<b>Placement Shares</b>	has the meaning given to it in Section 2.
<b>Securities Purchase Plan</b>	means the Company's securities purchase plan for the SPP Offer.
<b>Share</b>	means a fully paid ordinary share in the capital of the Company.
<b>Shareholder</b>	means a holder of a Share.
<b>Shortfall Offer</b>	has the meaning given to it in Section 2.
<b>Shortfall Securities</b>	has the meaning given to it in Section 2.
<b>SPP Offer</b>	has the meaning given to it in Section 2.
<b>SPP Options</b>	means Options to be issued free attaching to the SPP Shares on the basis of one (1) Option for every two (2) Shares issued to subscribers under the SPP Offer and otherwise defined in Section 2.
<b>SPP Shares</b>	means the offer of up to 20,000,000 Shares to be offered under the SPP Offer and otherwise defined in Section 2.

## 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 11am (WST) on Thursday, 3 September 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 – Consultants	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Ratification of Share Issue – Placement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Approval to Issue Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Approval to Complete a Share Purchase Plan Offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Issue of Shares to Mr Trevor Dixon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Issue of Shares to Mr Giuseppe Graziano	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Issue of Shares to Mr Fritz Fitton	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Issue of Shares to Mr Terry Grammer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Section 195 Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Approval to Issue Convertible Notes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Approval of Security Arrangements	<input type="checkbox"/>	<input type="checkbox"/>	<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 11.00am (WST) on Tuesday, 1 September 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](mailto:info@kinmining.com.au)

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## SCHEDULE 1 – TERMS AND CONDITIONS OF OPTIONS

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*The terms and conditions of the options are as follows:*

- (a) Each option entitles the holder to subscribe for and be allotted one ordinary fully paid share in the company.
- (b) The Company will not apply for quotation of the Options on the ASX.
- (c) The options are exercisable at \$0.20 each.
- (d) The options will expire on 31 August 2017 (the “**Expiry Date**”).
- (e) The options are exercisable at any time on or prior to the Expiry Date by notice in writing to the directors of the Company accompanied by payment of the Exercise Price. Options may be exercised in whole or in part, and if exercised in part, multiples of 20,000 must be exercised on each occasion.
- (f) The options are freely transferable.
- (g) All shares issued upon exercise of the options will rank pari passu in all respects with the company’s then existing ordinary fully paid shares. The company will apply for Official Quotation by the ASX of all shares issued upon exercise of the options.
- (h) There are no participating rights or entitlements inherent in the options and holders will not be entitled to participate in new issues of capital offered to shareholders during the currency of the options. However, if from time to time on or prior to the Expiry Date the company makes an issue of new shares to the holders of ordinary fully paid shares, the company will send a notice to each holder of options at least nine (9) Business Days before the record date referable to that issue. This will give optionholders the opportunity to exercise their options prior to the date for determining entitlements to participate in any such issue.
- (i) If from time to time on or prior to the Expiry Date the company makes an issue of shares to the holders of ordinary fully paid shares in the company by way of capitalisation of profits or reserves (a **bonus issue**), then upon exercise of their options, optionholders will be entitled to have issued to them (in addition to the shares which would otherwise be issued to them upon such exercise) the number of shares of the class which would have been issued to them under that bonus issue (**bonus shares**) if on the record date for the bonus issue they had been registered as the holder of the number of shares of which they would have been registered as holder if, immediately prior to that date, they had duly exercised their options and the shares the subject of such exercise had been duly allotted and issued to them. The bonus shares will be paid up by the company out of profits or reserves (as the case may be) in the same manner as was applied in relation to the bonus issue and upon issue will rank pari passu in all respects with the other shares allotted upon exercise of the options.
- (j) There is no right to a change in the exercise price of the options or to the number of shares over which the options are exercisable in the event of a new issue of capital (other than a bonus issue) during the currency of the options.
- (k) In the event of any reorganisation of the issued capital of the company on or prior to the Expiry Date, the rights of an optionholder will be changed to the extent necessary to comply with the applicable ASX Listing Rules in force at the time of the reorganisation.