

17 October 2016

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### **KIN MINING NL ("KIN") – Response to ASX Price and Volume Query**

We refer to your query letter dated Friday, 14 October 2016, in relation to the change in the price of KIN securities from a low of \$0.26 to high of \$0.30 on Friday, 14 October 2016 and in a significant increase in the volume of KIN securities traded on the same day.

Our responses to the questions set out in your letter are as follows:

1. No, the Company is not aware of any information that would be required to be announced under the ASX Listing Rules that has not previously been announced.

The Company is currently in final negotiations with Waterton Global Value L.P to finalise the repayment of a loan for \$1,638,602 and a Deed of Release for security held over Navigator Mining Pty Ltd being a wholly owned subsidiary of KIN. The repayment of the outstanding debt was previously announced as part of the Non-Renounceable Rights Issue which was partially underwritten and successfully completed on 3 October 2016. The Company will make an announcement once the legal documentation has been finalised and executed.

In relation to the purported notice of meeting dated the 5<sup>th</sup> of October 2016 ("Notice of Meeting") prepared by GBM Investments No. 1 Pty Ltd, Botsis Holdings Pty Ltd and Hay Street Property Pty Ltd ("Requisitioning Shareholders") pursuant to section 249F of the Corporations Act, the Company only received a copy of the Notice of Meeting on the 12<sup>th</sup> of October. The Company is currently aware that not all shareholders have received a copy of the Notice of Meeting. The Company released the Notice of Meeting and Explanatory Memorandum on the 13<sup>th</sup> of October. In the meantime the Company has sought legal advice on the validity of the Notice of Meeting, the proxy forms and the extraneous material purportedly sent to shareholders with the Notice of Meeting.

The Company's legal advice has identified several material deficiencies with the Notice of Meeting and the proxy form. The advice also supports the board's view that the information distributed with the Notice of Meeting does not fully and fairly inform Kin shareholders about the resolutions to be put to the meeting. This is particularly so with respect to the information provided relating to the proposed new board members, their material interests and the significant risks of conflicts of interest arising from their current directorships with various companies in competition with Kin including MHM Metals Ltd.

Given the material deficiencies in the Notice of Meeting and the legal uncertainty surrounding the validity of the Notice of Meeting and the requisitioned meeting, the Company is not currently in a

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position to confirm any further details of the meeting or make any further disclosure with respect to the meeting until such time as the Requisitioning Shareholders rectify the deficiencies and answer the issues raised by the Company's solicitors.

2. Not Applicable
3. No, the Company is not aware of any explanation for the change in the trading of the Company's securities apart from the information provided in 1 above and the fact that the Company attended the Precious Metals Investment Symposium in Sydney on the 10<sup>th</sup> October 2016. The presentation was announced on that date as required.

The Company has been aware since mid-July 2016 of irregular trading in the Company's shares that appears to have resulted in the Kin share price being unusually range bound. This is despite the Company completing a successful trial mining program, the appointment of Don Harper as the CEO, the appointment of an underwriter to the recent rights issue and the successful completion of the rights issue by raising approximately \$5,000,000. The Company has raised these concerns with the ASX for their investigation. Given the unusual nature of recent trading in the Company's shares, the Company is unable to provide any explanation as to trading in the Company's shares on the 14<sup>th</sup> of October.

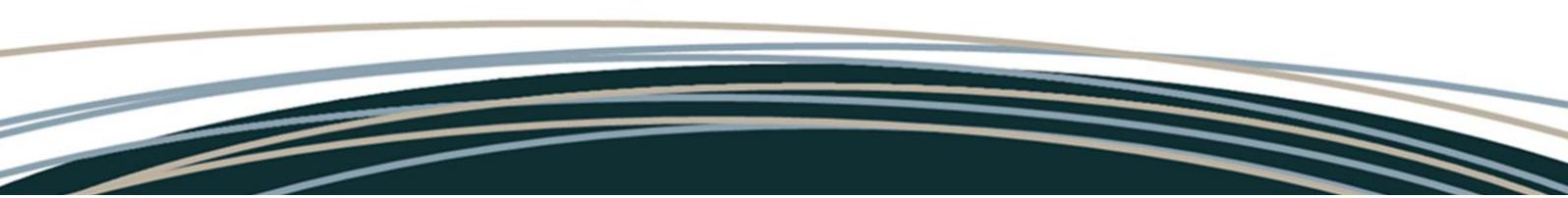
4. The Company confirms that it is in compliance with the Listing Rules, and in particular, Listing Rule 3.1.

Yours Sincerely

A handwritten signature in black ink, appearing to read "Joe Graziano", written over a light blue horizontal line.

Joe Graziano  
**Company Secretary**

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14 October 2016

Mr Joe Graziano  
Company Secretary  
Kin Mining NL  
Ground Floor  
342 Scarborough Beach Road  
Osborne Park WA 6107

Dear Mr Graziano

**KIN MINING NL (“KIN”): price and volume query**

We note the change in the price of KIN securities from a low of \$0.26 to a high of \$0.30 today 14 October 2016.

We also note the significant increase in the volume of KIN securities traded today, 14 October 2016.

In light of this, ASX asks KIN to answer separately each of the following questions and provide the following confirmations in a format suitable for release to the market in accordance with Listing Rule 18.7A:

1. Is KIN aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is “yes”:
  - a) Is KIN relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in KIN’s securities would suggest to ASX that such information may have ceased to be confidential and therefore KIN may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is “yes”, you need to contact us immediately to discuss the situation.
  - b) Can an announcement be made immediately?

Please note, if the answer to this question is “no”, you need to contact us immediately to discuss requesting a trading halt (see below).
  - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is “no”, is there any other explanation that KIN may have for the recent trading in its securities?
4. Please confirm that KIN is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
5. Please confirm that KIN’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of KIN with delegated authority from the board to respond to ASX on disclosure matters.

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### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than half an hour before the start of trading (ie before 9.30 am AEDT/6.30 am WST on Monday 17 October 2016). If we do not have your response by then, ASX will have no choice but to consider suspending trading in KIN's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, KIN's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltspert@asx.com.au](mailto:tradinghaltspert@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rules 3.1 and 3.1A**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

In responding to this letter, you should have regard to KIN's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that KIN's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in KIN's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.



If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

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