

# KIN BENEFITS FROM FAMILY APPROACH

Western Australia's latest mineral initial public offering that succeeded against all odds has a few aces up its sleeve to ensure it not only survives in a tough equity market, but thrives. **Anthony Barich** reports

**K**IN MINING HAS HIT THE ground running since listing on the Australian Securities Exchange in October,

putting some serious runs on the board at its Leonora-Laverton projects in WA.

It rapidly compiled and executed a comprehensive drilling program that surprised even the experienced veterans who run the company.

A "directors field trip" late last year returned some positive rock chip sampling results and gave the company a solid indication of where its targeting should focus across all six projects when all of them came up with some kind of ore-grade material.

Meanwhile, supergene and primary gold intersections were returned from reconnaissance reverse circulation drilling. The primary intersection showed 24m at 2.26 grams per tonne of gold, including 4m at 6.8gpt at the bottom of the hole, which Kin Mining managing director Trevor Dixon described as a substantial discovery.

The drilling was at the Eastern Gabbro prospect at Murrin Murrin and the Anzac prospect at the Desdemona project. Kin's other projects are Iron King (brownfields) and Redcastle, Mt Flora and Randwick (greenfields).

"The results were pleasantly surprising, though I was expecting to put an initial resource together at Murrin Murrin," Dixon told *RESOURCESTOCKS*.

"That's not going to be the case at this time but the primary gold hits were exceptionally good."

From those positive results, he said Kin would undertake further delineating to get a handle on the geometry of the intersections that the inaugural drilling campaign did not acquire.

"That will allow us then to get some modelling in respect to some initial resources," Dixon said.

Just getting the company off the ground as an ASX IPO in October last year was a great achievement but the market response since then has been edifying for the company's management that they're doing the right thing – getting on with the business of exploring.

The family-friendly nature that's built into the company's name reflected not only how the company came together but how it managed to get hold of the tremendously prospective ground it had.

Dixon said his former Jubilee Mines colleague Kerry Harmanis told him to stop doing joint ventures and IPO deals and get on and do it himself.

Dixon was a founding vendor to Jubilee, putting land into the Jubilee IPO in 1987. He has had a strong relationship with Harmanis ever since. Jubilee sold to Xstrata for more than \$3 billion in 2007.

While heading out to the northeastern Goldfields to review some drilling in November last year, Dixon got a voicemail message from an old associate he used to sink shafts with in Leonora 20 years ago telling him a critical parcel of ground he'd been craving had just become available.

At the drop of a hat he drove out to the spot in the dark but he knew the area so well he found and pegged it at 9.40pm.

Such is the fortune of Kin, a company with the expertise and contacts to pull off what some may consider impossible.

Kin got over the line with a \$2.6 million IPO raised through the novel

approach of sourcing investment from the very drilling companies it got to rig up exceptionally quickly for the first programs at Murrin Murrin.

Then there was the initiative Kin put forward of an options issue coming out three months post-listing and the restriction agreement it entered into with its existing shareholder group – both of which were also critical parts of making Kin as attractive as possible for an exceptionally discerning and scrupulous marketplace.

But as they say, it is from little things that big things grow.

Between Dixon, veteran geologist Fritz Fitton – another longtime associate from Leonora who's now a non-executive director at Kin – and chairman Terry Grammer – a geologist who was, among other things, instrumental in making Sirius Resources the success it has become – Kin's board is a veritable tour de force.

▶ RC drilling at Murrin Murrin.





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**TREVOR DIXON**  
KIN MINING

While Fitton was at pains to paint the company as a multi-commodity stock, which it is, its focus is predominantly gold. The fact that his experience in the Leonora-Laverton area prior to 1980 was all base metals merely speaks to the upside potential for Kin.

“One of our prospects is about 15km away from Jaguar – which I was involved with in 1979 – and we think we’ve got very good potential for volcanogenic massive sulphides,” Fitton said.

He added that two of Kin’s announcements post-IPO highlighted that its project areas contain some evidence of nickel, copper and lead mineralisation. The company also located a couple of gossanous outcrops prior to that in the initial field trip.

The yarns Dixon and Fitton recall about how far back they go in the region make the head spin, yet speak to a grassroots knowledge that should help the small-scale junior, especially considering three of its six projects are greenfields – something of a novelty in itself for Leonora, whose mining history dates back to the 1890s.

“The Kin Mining family is demonstrating at this early stage their level of solidarity with the company, simply because they’re demanding of the marketplace a premium for their stock and I think that in itself has helped set us apart at the moment,” Dixon said.

“There are very few IPOs that have come on and done what we have been able to do – create solidarity within the shareholder group.”

The plan moving forward after the impressive December results was for a multi-prospect drilling campaign in the latter part of January, going back to Murrin Murrin, then the Crystal Ridge prospect at Iron King, Kin’s other brownfields area.

“All the juniors have been working with difficult financial markets but we’re quite unique in that we’re an

explorer that’s actually exploring. That’s the mandate our shareholders have given us,” Dixon said.

“The fact that we’re well supported in the marketplace is a ringing endorsement that we’re doing the right thing. The fact that we are focused in that one area is part of our uniqueness and of course our business model is very simplistic – a bunch of guys with very significant local credentials in a well-endowed mineral district.

“We’re not chasing exotic minerals, nor working in exotic environments, it’s a simplistic approach to exploration.”

Fitton, with some 43 years of experience in the area, believes Dixon has an exceptionally intimate knowledge of the approvals and native title process, enabling Kin to talk openly and frankly with native title partners.

Fitton and Grammer have both been involved in the discovery of many world-class mineral deposits over the past 35 years and hope to do the same for Kin.

Dixon also ran his own earthmoving business – Evandale Contracting – for about 20 years, servicing the mining industry in Leonora, so equipment was available at a fraction of the price.

“There’s nowhere I can think of where everything is so close, like infrastructure,” Fitton added.

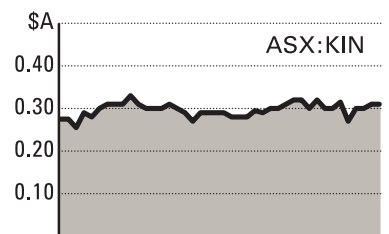
Despite Leonora’s long mining history, with most of Kin’s tenements having previous workings, there are some that have not been drilled yet.

Furthermore, through Fitton’s experience personally mapping the entire district while running one of Esso Minerals’ Australian divisions in the 1980s, Kin has exclusive data of the region, plus another database thanks to some \$30 million worth of drilling by previous tenement holders – all of which tells Kin where not to waste money.

“It’s telling us there are a hell of a lot of things with very good results that were never followed up,” Fitton added.

Drilling Resource Partners managing director Marcus L’Estrange and KIN Mining MD Trevor Dixon inspect a small historic open pit on the Iron King group project.

## KIN MINING AT A GLANCE



3 months ending January 8, 2014

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### DIRECTORS

Terry Grammer, Trevor Dixon,  
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### MARKET CAPITALISATION

\$A11.9 million (at press time)

### QUOTED SHARES ON ISSUE

38.5 million

### MAJOR SHAREHOLDERS

Trevor Dixon 17.08%  
Giuseppe ‘Joe’ Graziano 12.94%  
Goldfire Enterprises 3.82%  
VM Drilling 3.23%  
Partners & Friends Pty Ltd 3.08%